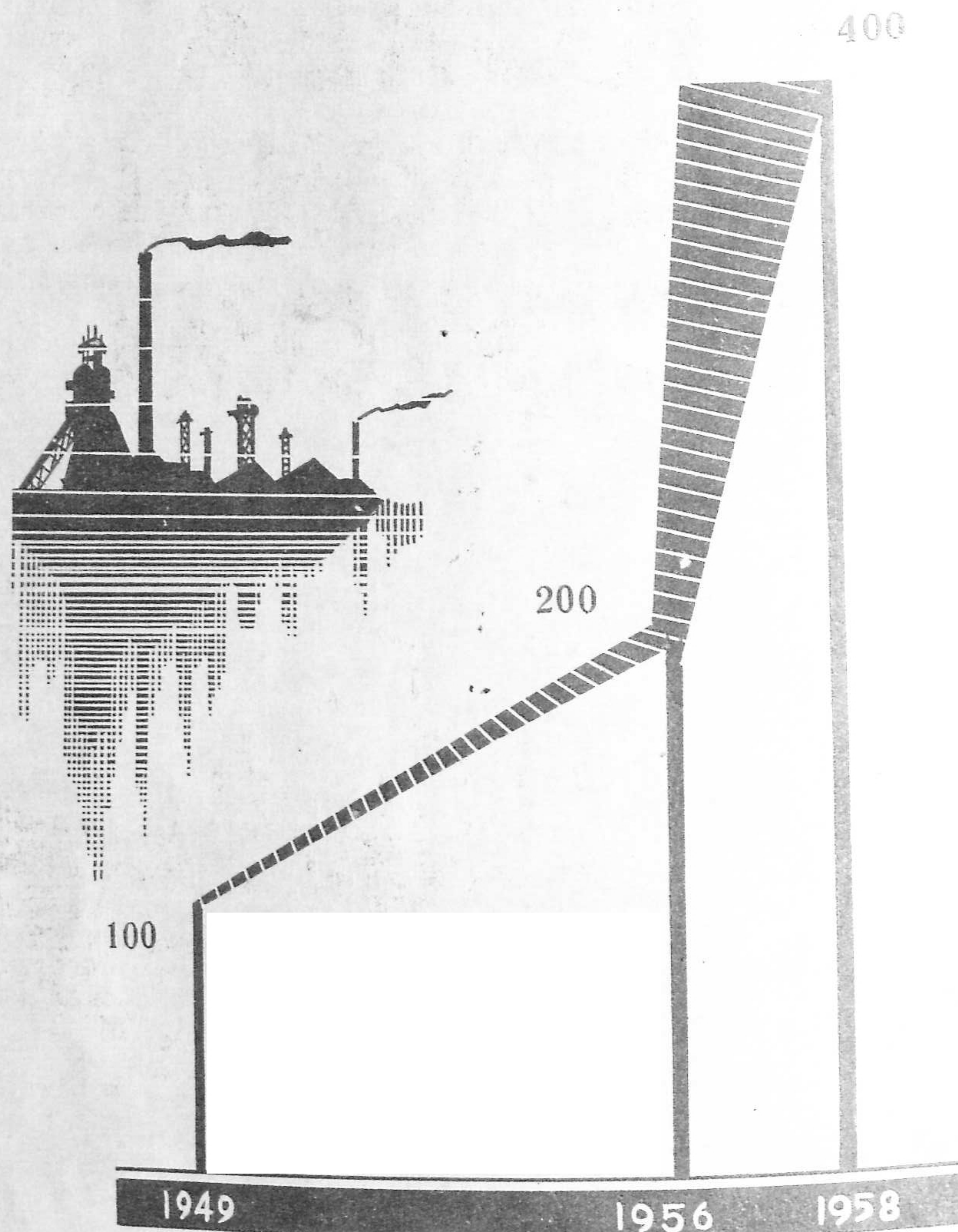


BIG LEAP IN KOREA'S NATIONAL ECONOMY



Growth in gross industrial output



FOREWORD

AFTER the truce, the Korean people were confronted with the task of consolidating the country's economic foundation and of speedily stabilizing and improving the deteriorated people's living by rapidly rehabilitating the war-ravaged national economy and further developing it.

For the successful execution of the task, the Workers' Party of Korea charted the basic post-war economic policy along the path of priority development of heavy industry with the simultaneous development of light industry and agriculture. The Korean people, upholding the Party's correct economic policy, victoriously fulfilled the post-war Three-Year Plan (1954-1956) for the Rehabilitation and Development of the National Economy, overcoming every difficulty and hardship.

Only in three to four years the industrial and agricultural output not only regained the pre-war level but surpassed it by far. As a result a solid foundation was laid for further developing the national economy and improving the people's living.

Based upon the fundamental line laid by the Third Congress of the Workers' Party of Korea the Korean people undertook the First Five-Year Plan in 1957, the first long term plan in our history. The First Five-Year Plan aims at completely eliminating the backwardness of our national economy, converting our country into a self-supporting industrial-agricultural country, basically solving the food, clothing and housing problems and raising further the people's material and cultural standards.

Great successes are being registered by our working people in all branches of socialist construction in the course of carrying out the Five-Year Plan. They are displaying a high degree of labour enthusiasm and limitless creativeness in response to the call of the Party. Especially in 1958 the second year of the Five-Year Plan, the Korean people scored brilliant achievements unprecedented in the history of our country.

In 1958, a big leap was made on all fronts of socialist construction and socialist economic sector won a final victory in all branches of our national economy. As a result our country has been turned into a socialist industrial-agricultural country with a self-supporting national economy.

In 1957 the industrial output grew 44 per cent over the previous year, and in 1958 it surpassed 1957 by 40 per cent. The industrial output in 1958 grew twice that of 1956 or four times compared with the pre-war year of 1949. Remarkable changes were brought about in our industry not only in quantity but also in quality.

Colonial onesidedness which remained in our industry has been completely liquidated. Our machine-building industry, the backbone of heavy industry, is now able to produce most of machinery and equipment required at home. Today large size metallurgical equipment and various kinds of heavy machines

are being made in our country. Parallel with the unprecedented upsurge in production, a great technical revolution is being carried out in our country in response to the call of the Party. Our working masses who have risen up for carrying out technical revolution and for increasing production have raised labour productivity two to three times.

A great change took place in agriculture, too. Thanks to the surging political zeal of the peasants our agricultural co-operativization movement culminated in final victory in August 1958. Furthermore, the amalgamation of the existing agricultural co-ops was completed in a short space of time throughout the country, marking a new turn in the development of co-operative economy. As a result every source of exploitation and poverty which had existed for thousands of years in our countryside was wiped out once and for all.

Enjoying assistance of the powerful socialist industry, irrigation projects, electrification and mechanization for the technical transformation of agriculture are being vigorously pushed ahead. Introduction of advanced agro-technique, especially the intensive farming method, most suitable to our agriculture, fully illustrated the superiority of co-operative economy and has brought about a great upsurge in agricultural production.

In 1957, the first year of the Five-Year Plan, our peasants achieved an unprecedented big grain output, despite severe natural calamities. In 1958, despite a long drought no less severe than the previous year, our peasants harvested 3.7 million tons of grain, about 500,000 tons more than in the previous year—the biggest harvest in our history—thanks to the enthusiastic labour struggle of the peasants.

An epochal record was also registered in the cultivation of industrial crops, live-stock breeding, silkworm raising, fruit growing, etc.

In 1958, a great change also took place in fulfilling the country's technical revolution. Amazing miracles were worked out and a great number of technical innovations were made last year by our heroic working class which is riding a "winged horse."

Last year the method of manufacturing iron with ferro-coke and many singular innovations were put into effect, and now mechanization and automation are going ahead.

As the industrial and agricultural output grew rapidly the people's material and cultural conditions also improved markedly. In 1958 the national income grew 1.3 times compared with 1957, and the real wages of the workers and office employees rose to 113 per cent. As from January 1, 1959, wages increased by 40 per cent on the average.

A great stride was made also in the field of cultural revolution. The compulsory middle school education system was put into effect for the first time in the East, and preparations for the enforcement of the universal compulsory technical education system is also being successfully carried out.

All these achievements are unthinkable without the correct economic policy of the Workers' Party of Korea of giving priority to the development of heavy industry with the simultaneous development of light industry and agriculture.

At the same time all these achievements are attributable to the wise leadership given by the Central Committee of the Workers' Party of Korea headed by Comrade Kim Il Sung, the organizer and mobilizer that led the entire Party and people to new victories, assessing correctly each stage of economic construction and solving its key problems in time.

That we scored such a great achievement is a demonstration of the indestructible unity of the Party and the entire people who rallied steel-like around the Party.

Especially the Letter of the Party Central Committee which appealed to the entire Party members to cast off the remnants of every sort of backward ideas and to think and act boldly aroused the entire Party members and working people to a more vigorous struggle for fresh upsurge and innovation. The Letter was a moving force for bringing about an unprecedented upsurge in socialist construction.

Basing themselves upon the material and technical foundation they built, the entire working people, determined to fulfil the First Five-Year Plan over two years ahead of schedule, are continuously leaping and bringing about innovations in all branches of the national economy.

According to the national economic plan for this year, which was accepted by the Plenary Meeting of the Cabinet, D.P.R.K. at the beginning of the year, the growing rate of industrial and agricultural production is to surpass by far that of the past.


When the year's national economic plan is carried out, our country will leave Japan behind in per capita output of grain and major industrial products such as pig iron, steel, electricity, cement, chemical fertilizers.

The entire working people, upholding the Party's call for priority growth of heavy industry, especially metal and machine-building industries, the guarantee for the development not only of industry but also of an overall development of the national economy, are forging ahead to carry out the plan for this year.

Under the slogan, "Iron and machine are the kings of industry," the working people are resolutely struggling to carry through the Party policy. Moreover, they are determined also to raise decisively the quality along with quantity not only in industrial production but also in all branches of the national economy.

Looking forward toward yet greater happiness the entire working people of our country under the guidance of the Party are forging ahead on a "winged horse" in order to climb the peak of socialism sooner and promote the country's peaceful unification.

HEAVY INDUSTRY



A view of blast furnace No. 2 of the Kim Chaik Iron Works which was recently put into commission. It took only six months to restore the furnace.

The furnace produces over 1,000 tons of pig iron per day, two times the nominal capacity in the days of Japanese imperialism

THE correctness of the economic policy of the Workers' Party of Korea on giving priority to the development of heavy industry with the simultaneous development of light industry and agriculture has been fully testified to by the realities of today.

The material and technical foundation of heavy industry has been further strengthened.

For the past several years, the output of heavy industry rose rapidly. During the period between 1953 and 1958, the output of the means of production showed an average growth of 52 per cent annually.

The following table shows output of major products of heavy industry:

	Output in 1958	Rate of growth as against 1957
Electricity	7,631 million kwh	110
Coal	6,882,000 tons	138
Iron ore	1,552,000 tons	147
Pig iron	320,000 tons	119
Granulated iron	73,000 tons	121
Steel	365,000 tons	132
Structural steel	255,000 tons	125
Generators	343	116
Electric motors	17,000	140
Transformers	8,000	115
Metal cutting tools	1,450	142
Farm machines and implements	713 million won in value	171
Chemical fertilizers	457,000 tons	141
Cement	1,244,000 tons	139

Last year alone, our working class rehabilitated or newly built blast furnace No. 1 of the Hwanghai Iron Works, blast furnace No. 2 of the Kim Chaik Iron Works and an electric furnace for iron manufacture in the Kangsun Steel Works in a very short space of time. Trucks, tractors, bulldozers, excavators and other heavy machines were made for the first time in our country.

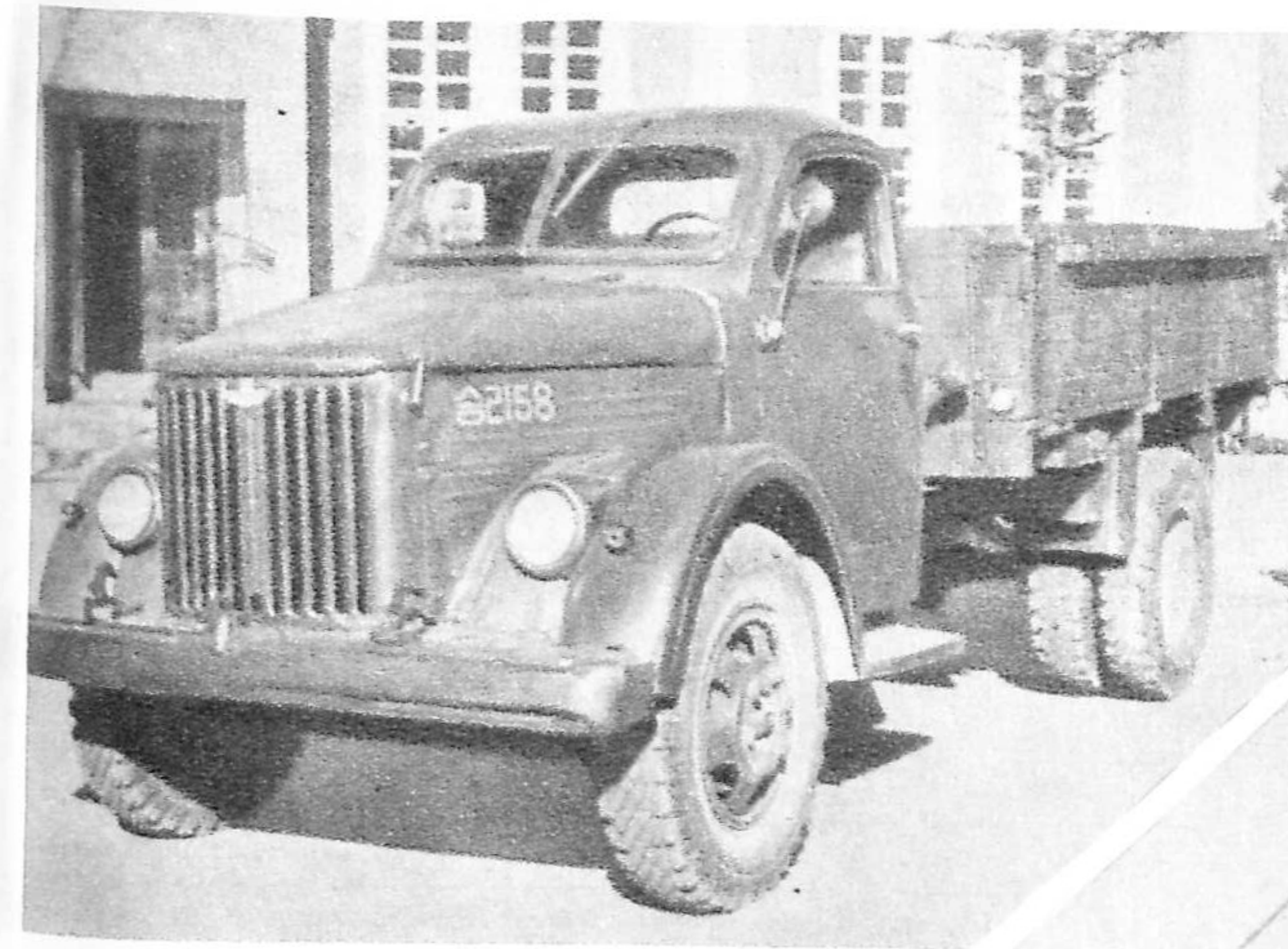
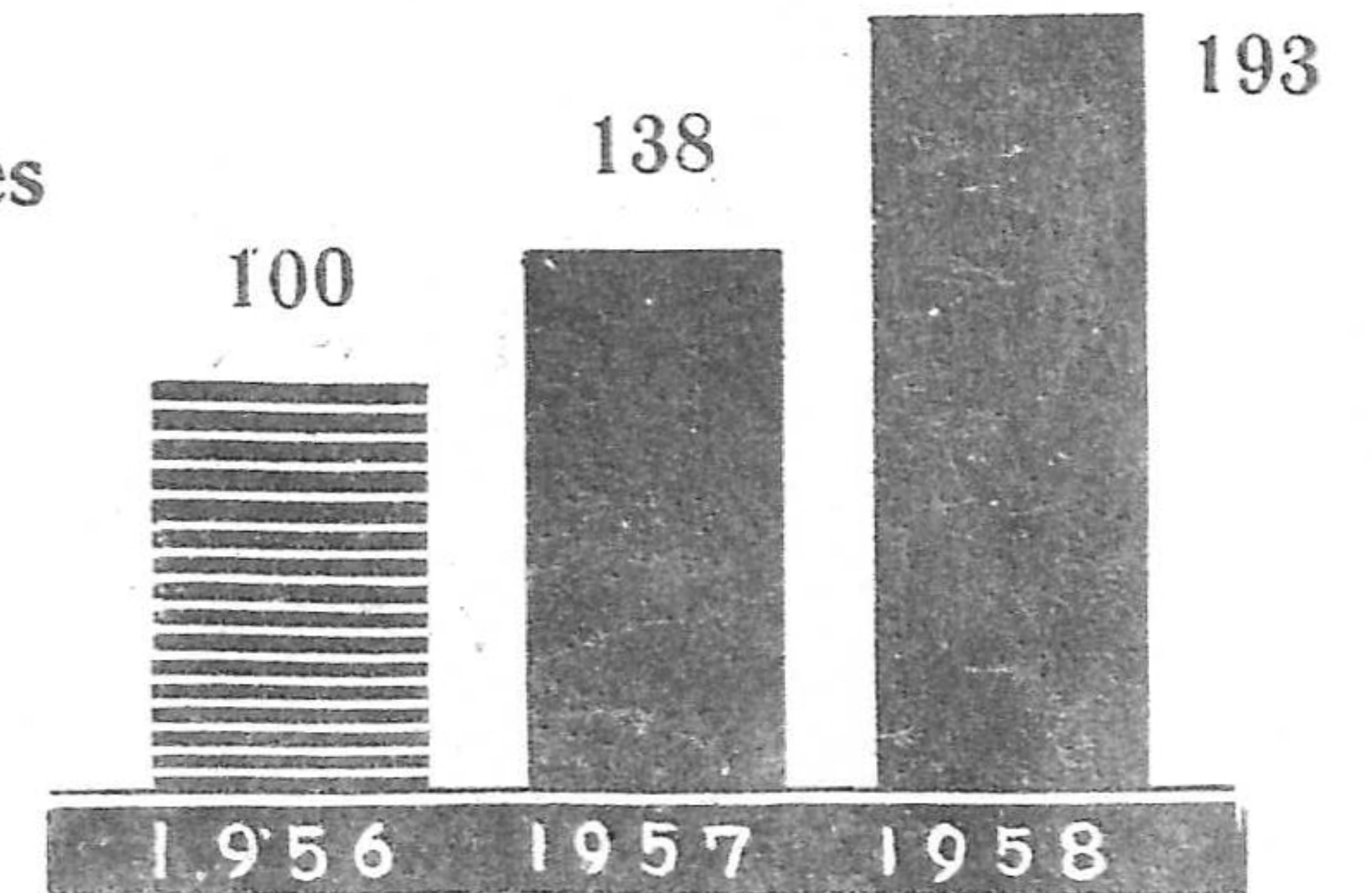
In carrying out the plan for this year, priority will continuously be given to the growth of heavy industry, and stress will be laid on metal and machine-building industries in particular.

METALLURGICAL INDUSTRY

Pouring molten iron at the Kangsun Steel Works. Workers are bent on increasing their labour productive power 2.8 times and overfulfilling their 1959 target by 138 per cent without additional labour power—an increase of 1.4 times over 1958

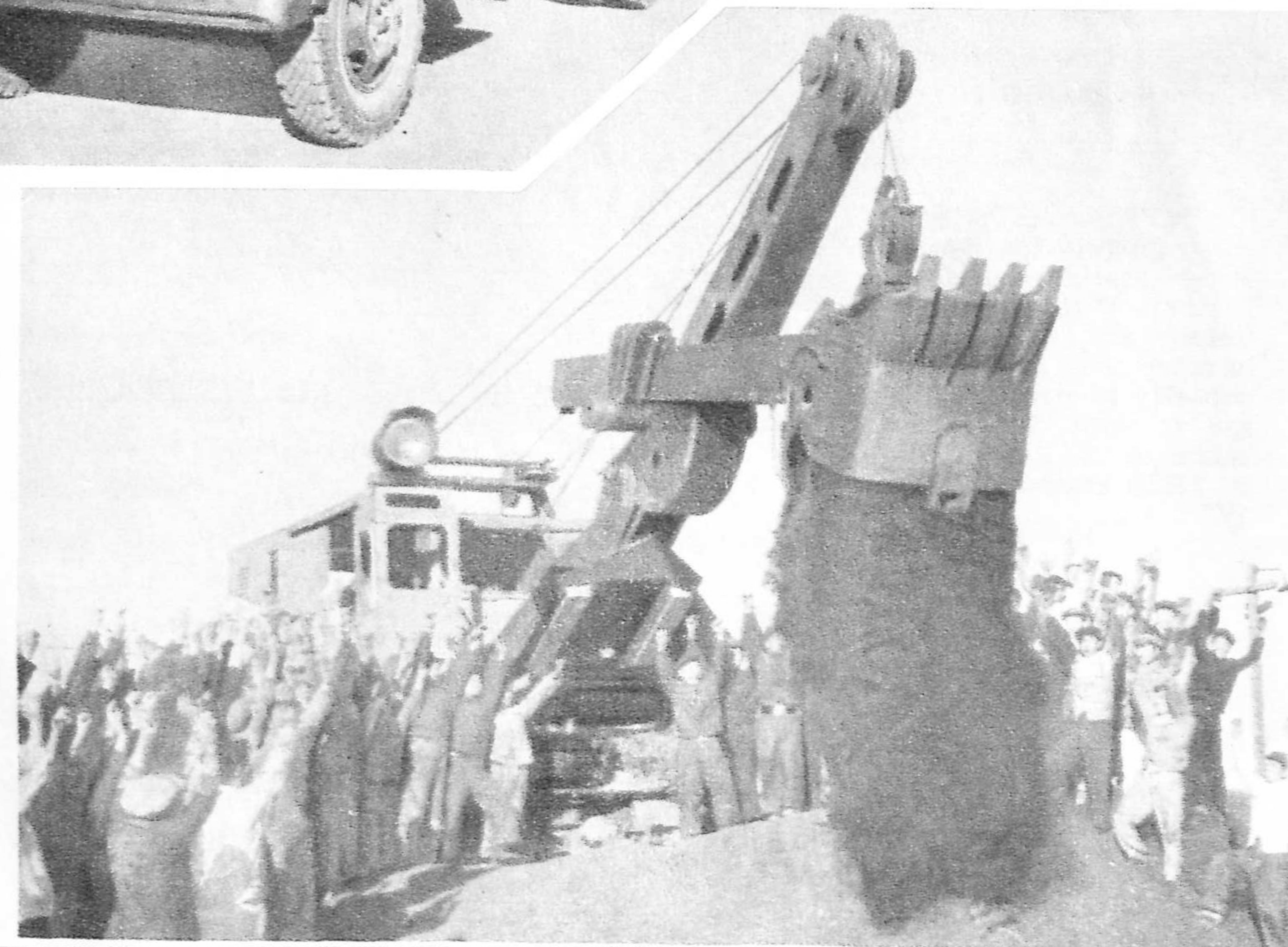
MACHINE-BUILDING INDUSTRY

Machine-building and Metal-working Industries

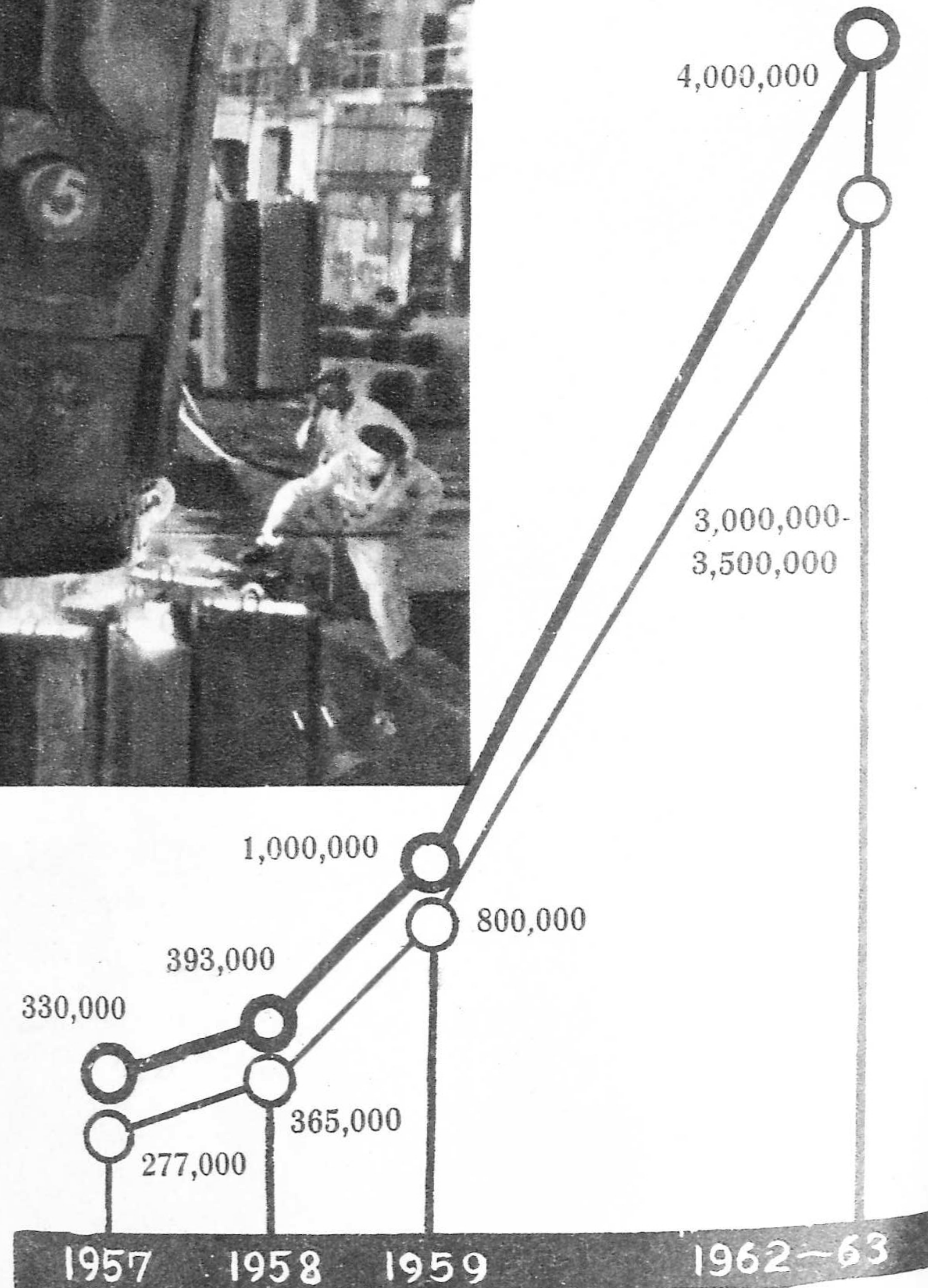


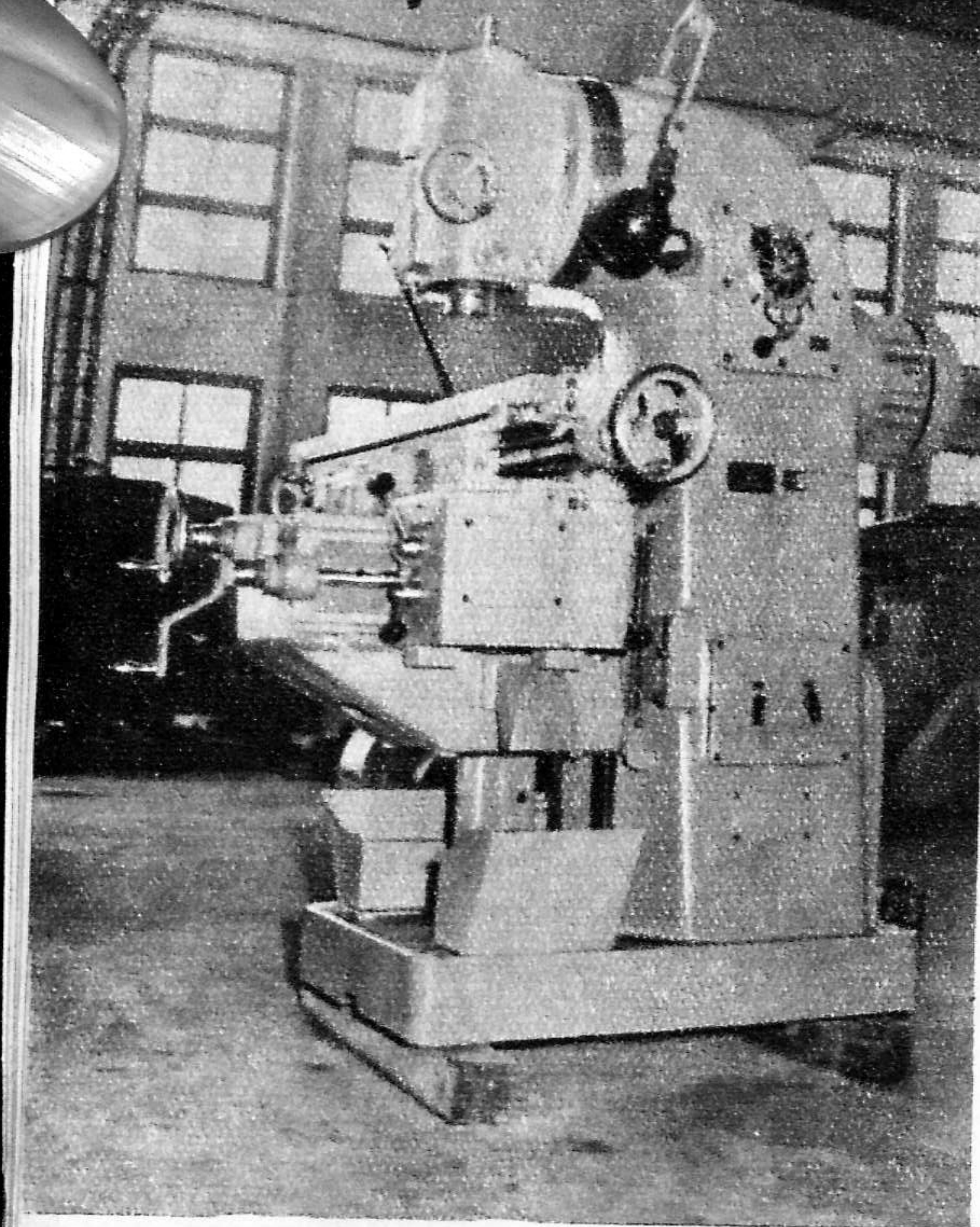
The truck "Seungri (Victory) 58" produced for the first time in Korea

The workers of the Rakwon Machine-building Factory cheering the success in production of excavator "Chunrima" (winged horse) produced for the first time in Korea

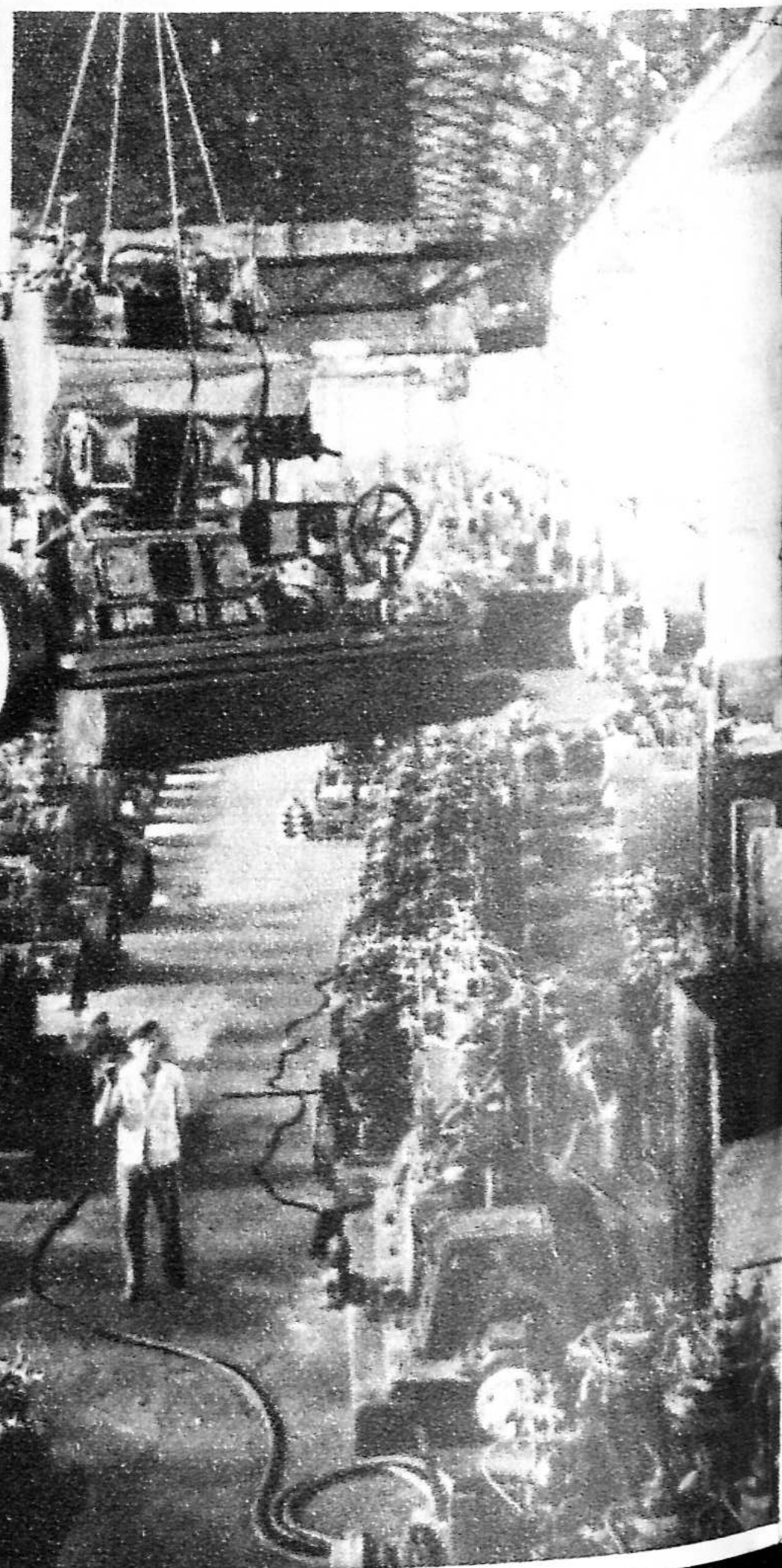


○ Pig Iron and Granulated Iron
○ Steel
(in tons)





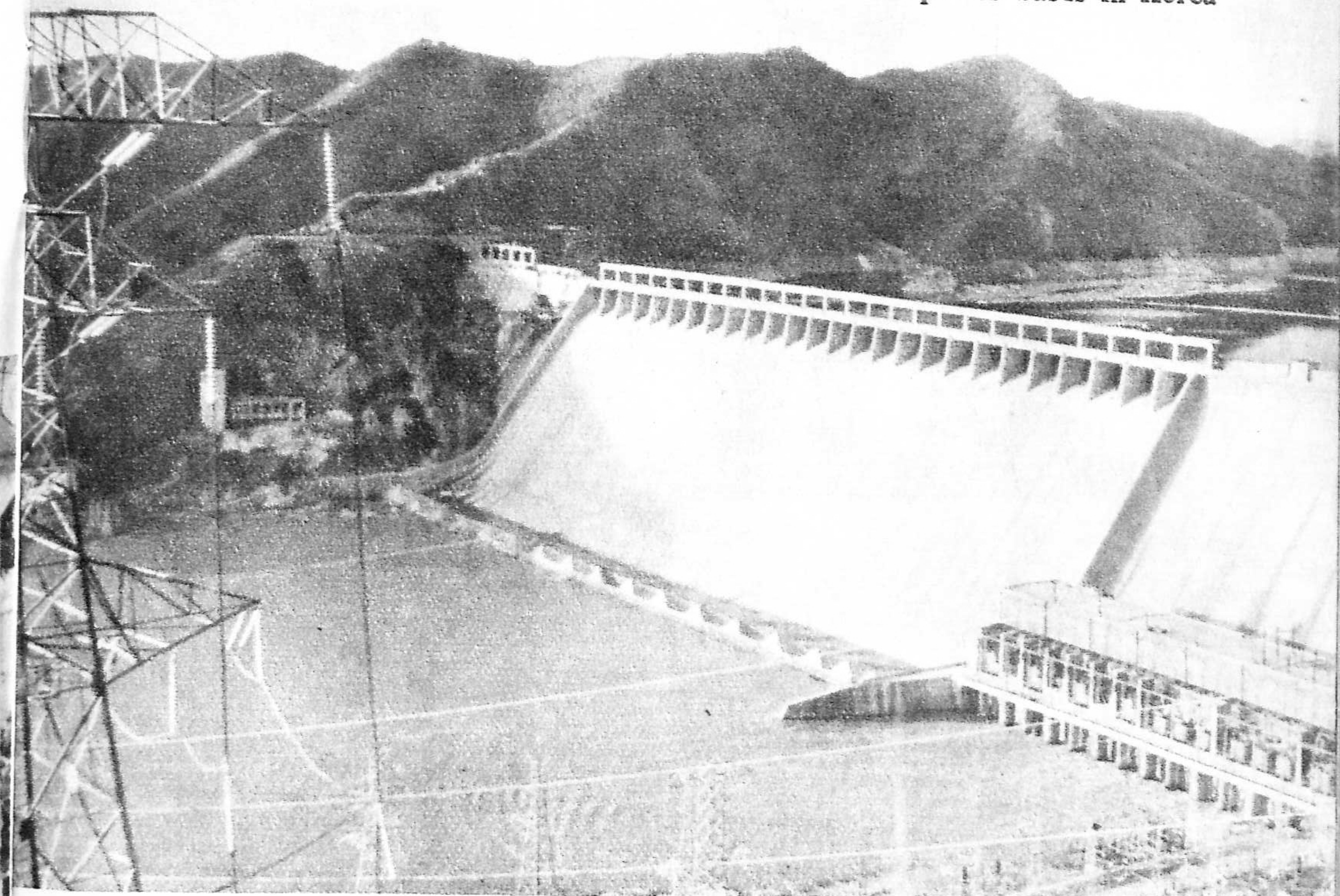
Universal milling machine produced at Hichun Machine-tool Factory



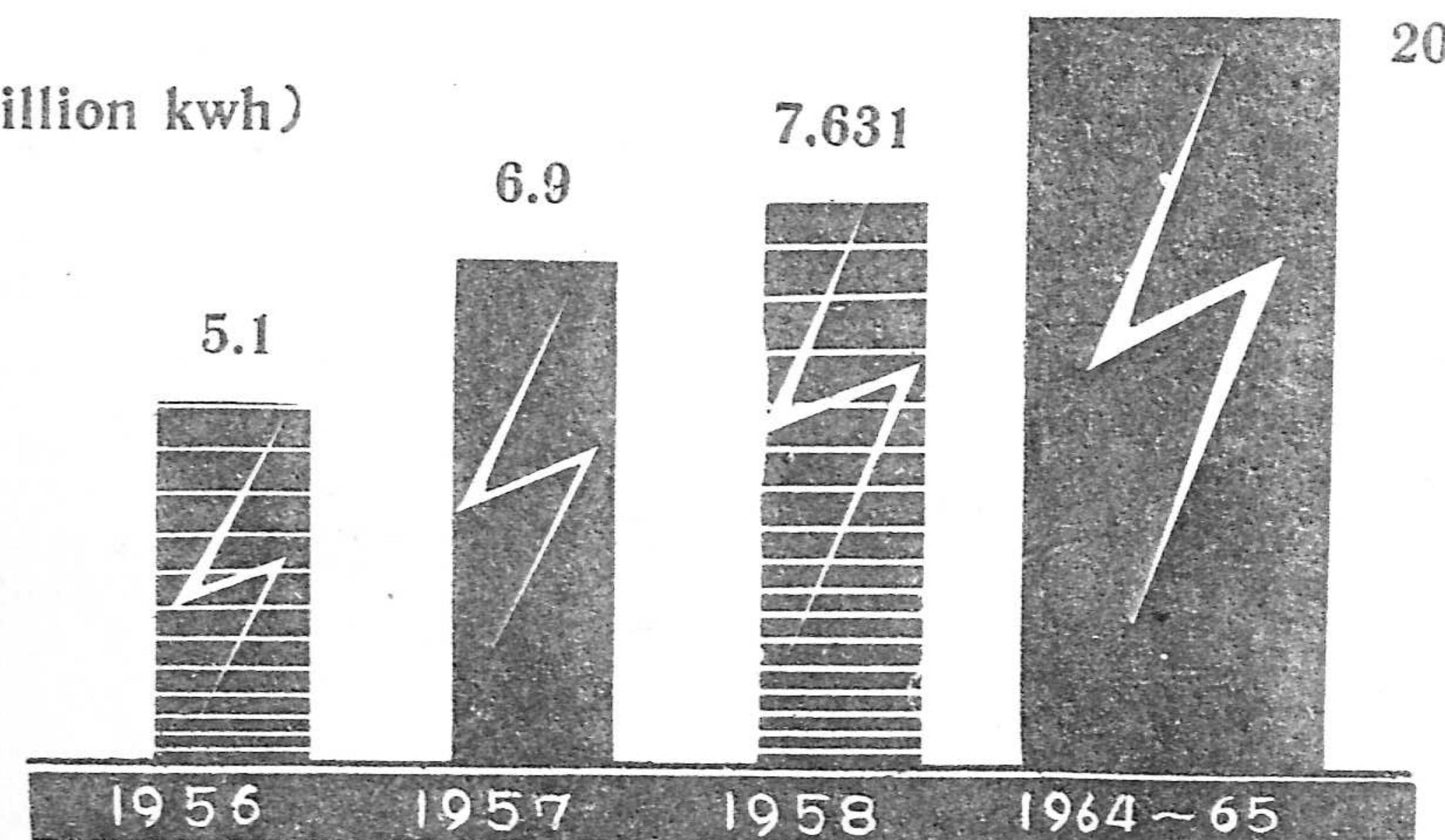
Hot-bulb-engine Assembling Shop of the Bookjoong Machine-building Factory. Workers of the factory are determined to raise the productive capacity to over 3 times and increase the output value to 379 per cent in 1959 compared with 1958

POWER INDUSTRY

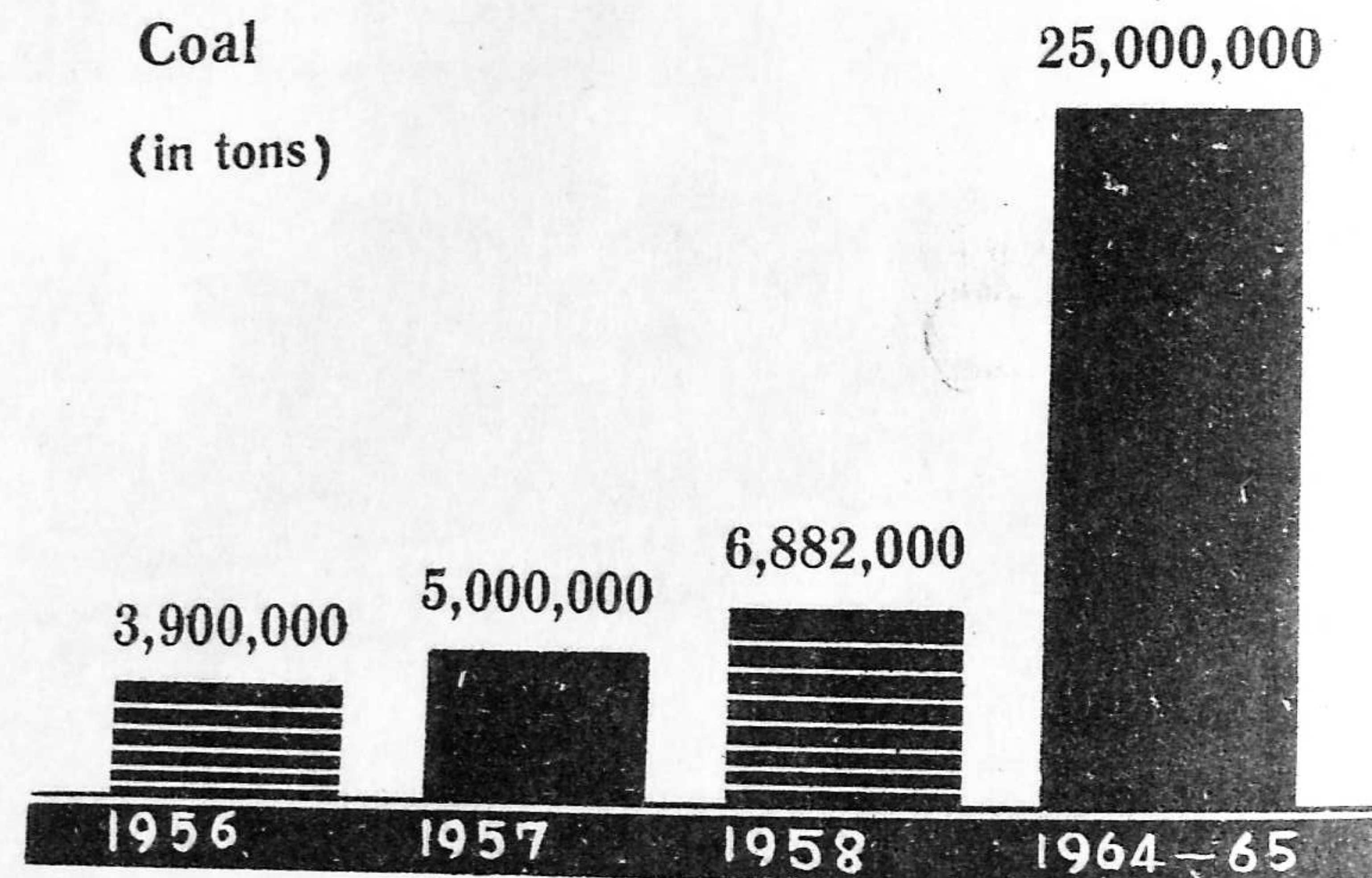
A view of the Soopoong Dam, one of the electric power bases in Korea



(in billion kwh)



COAL INDUSTRY

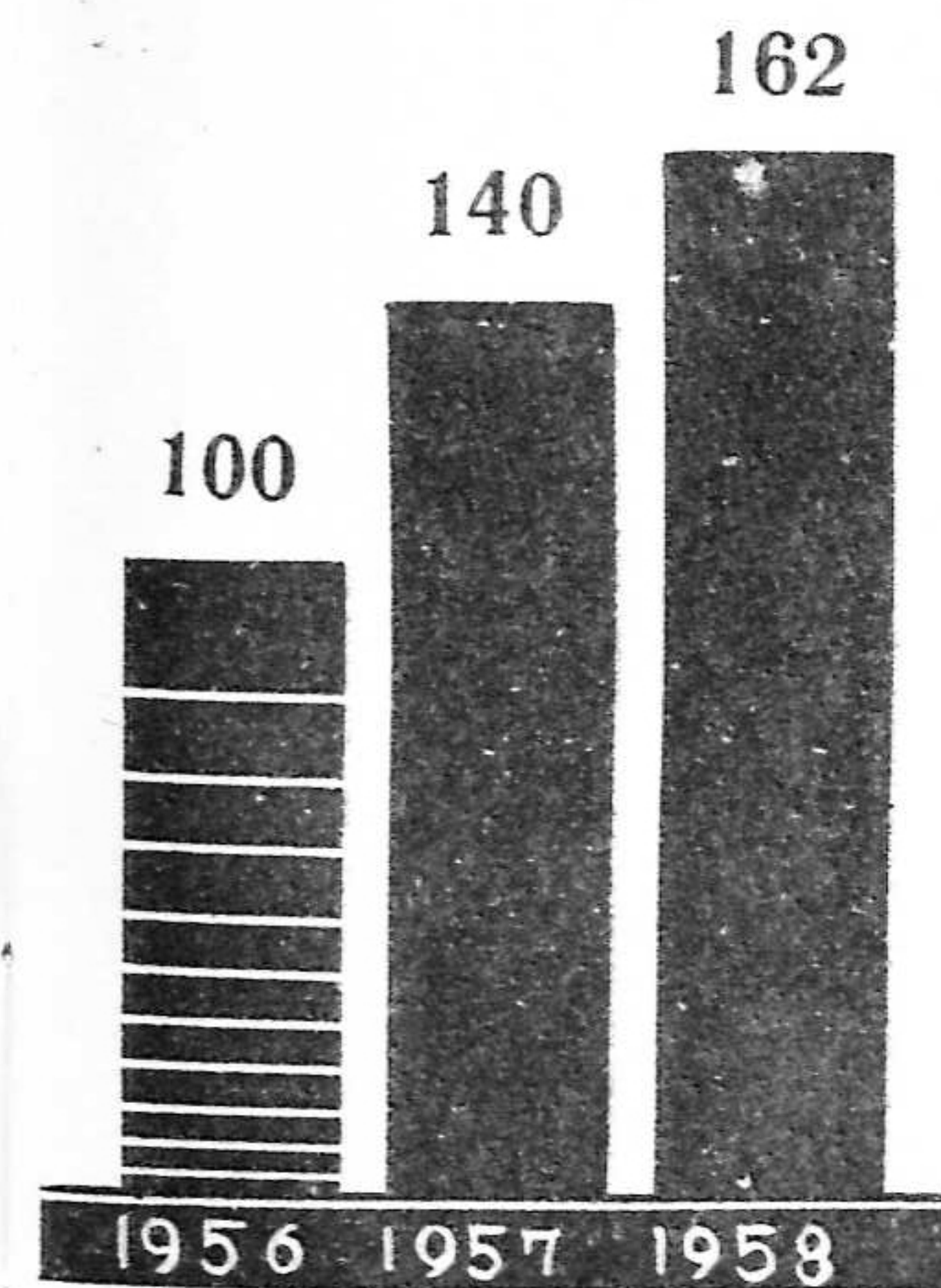


Coal piles in the Shinchang mine



GEOLOGICAL SURVEY

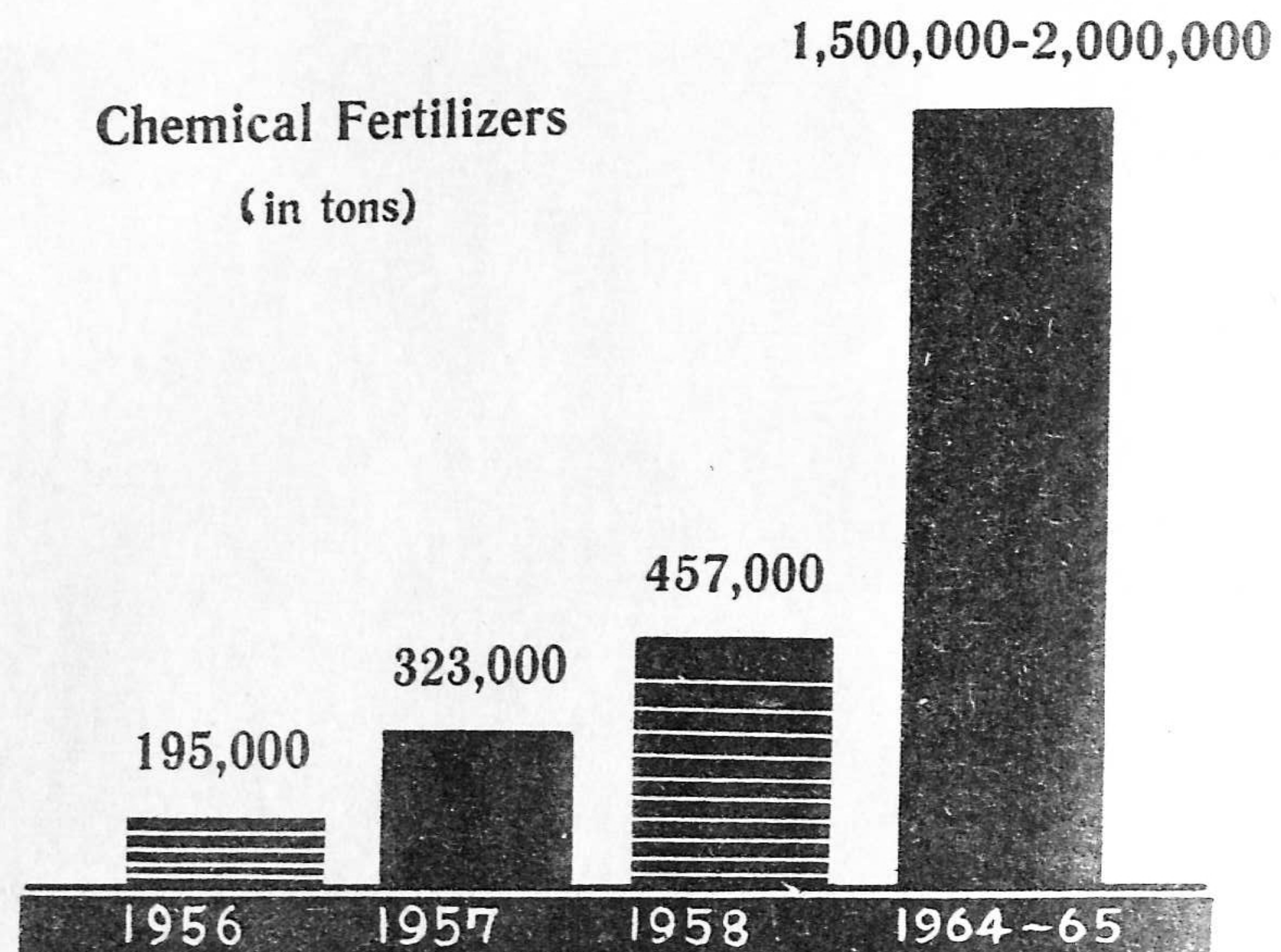
Growth of
Geological Survey



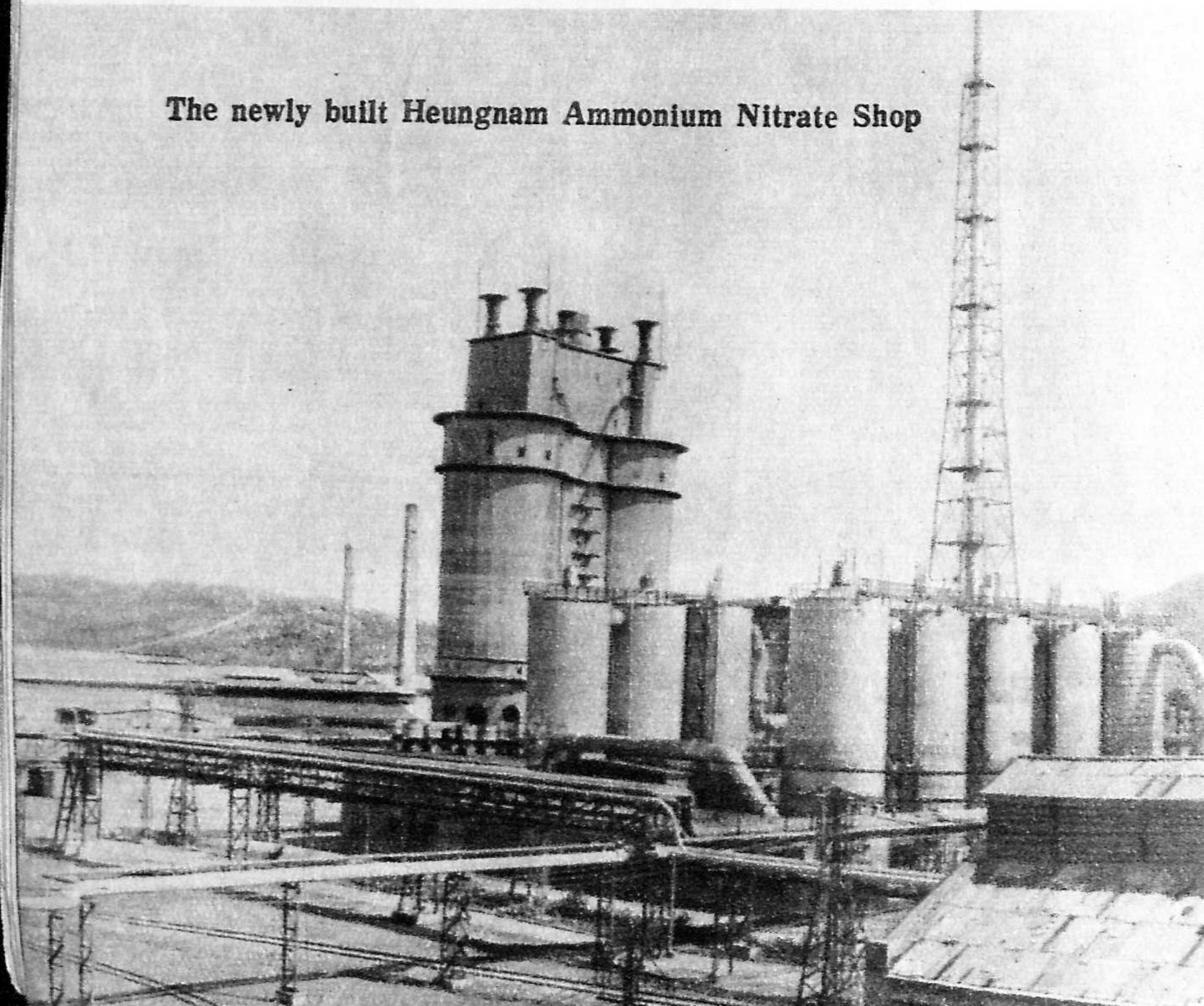
Members of the prospecting team searching for minerals using the electric reactor

CHEMICAL AND BUILDING MATERIALS INDUSTRIES

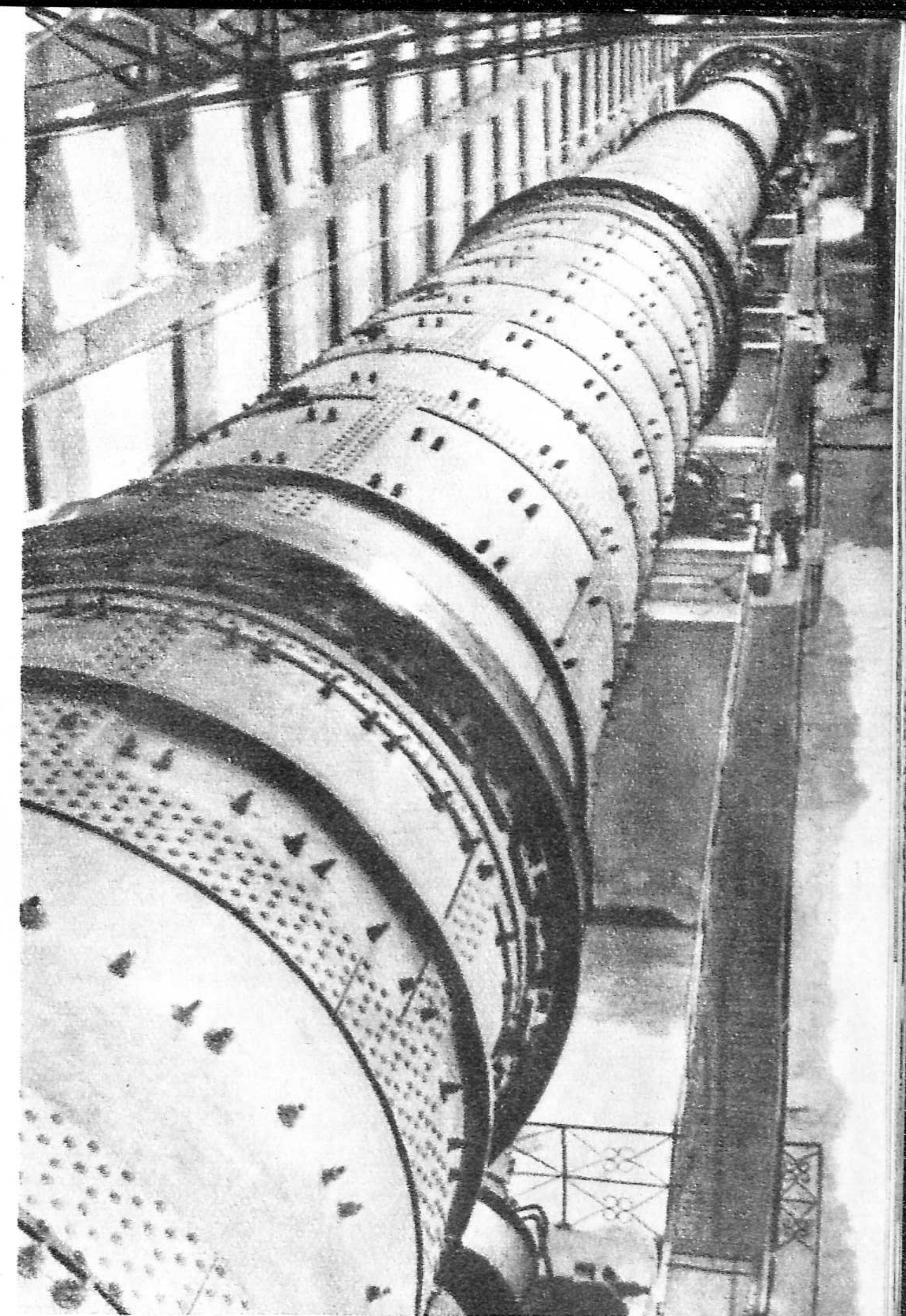
Chemical Fertilizers
(in tons)



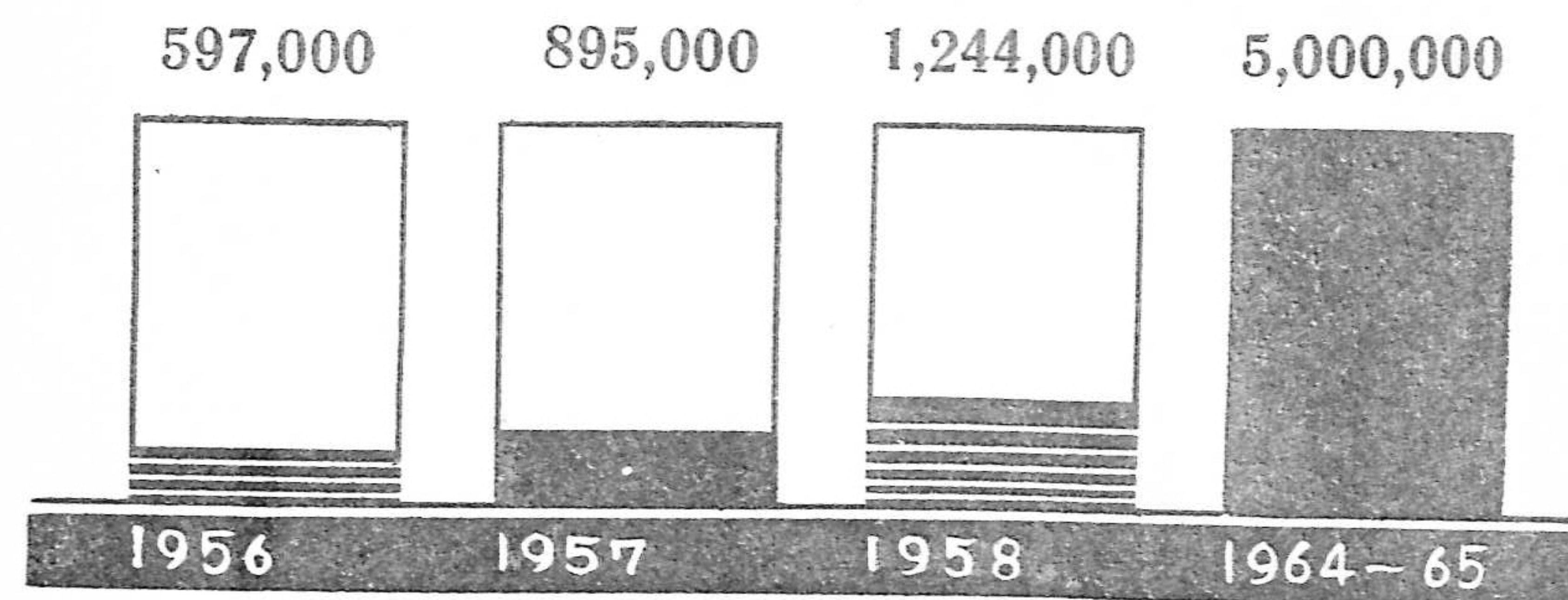
The newly built Heungnam Ammonium Nitrate Shop



Kiln of the Seunghori Cement Factory



Cement
(in tons)



LIGHT INDUSTRY



Various kinds of foodstuffs and favourite goods (above), silks and printed silks (below) produced in the factories and mills under the Ministry of Light Industry



IN line with the correct economic policy of the Workers' Party of Korea, our light industry is developing by leaps and bounds enjoying powerful support from heavy industry and agriculture.

The measures taken at the June 1958 Plenum of the Party Central Committee aimed at bringing about a nation-wide innovation movement in the food processing industry and the production of daily necessities registered an epoch-making turn in the development of light industry.

As a result, in 1958, our light industry base was put on a firmer foundation. Textile, food and daily necessities industries were consolidated and conditions were created for producing more cotton and silk fabrics, glass and ceramic ware, as well as more canned goods of meat, fish, fruit and vegetables.

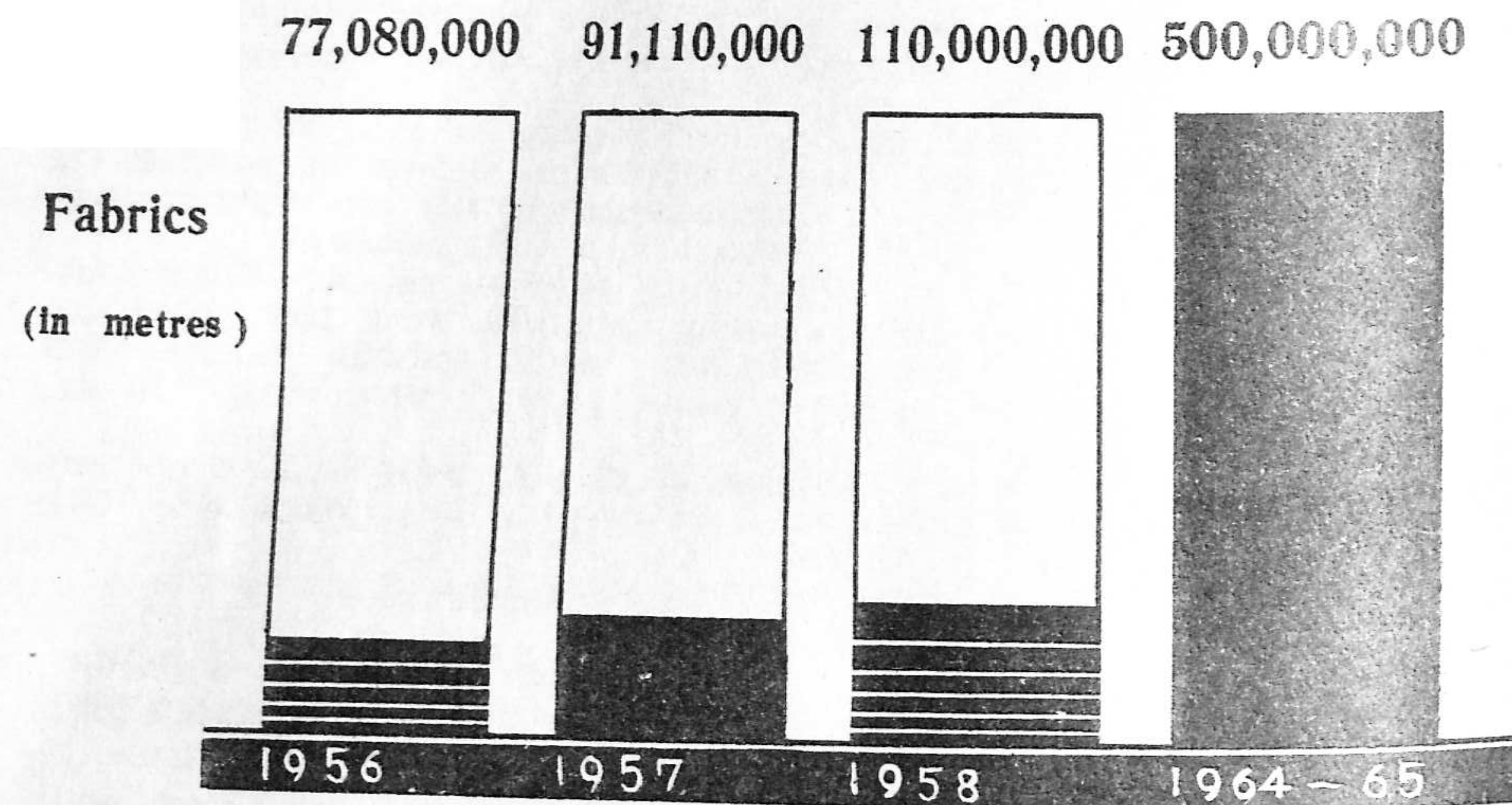
Already by the end of 1958 over 1,000 local industrial factories were built in cities and counties and they are now producing thousands of various goods for popular consumption.

The following table shows output of major items in light industry:

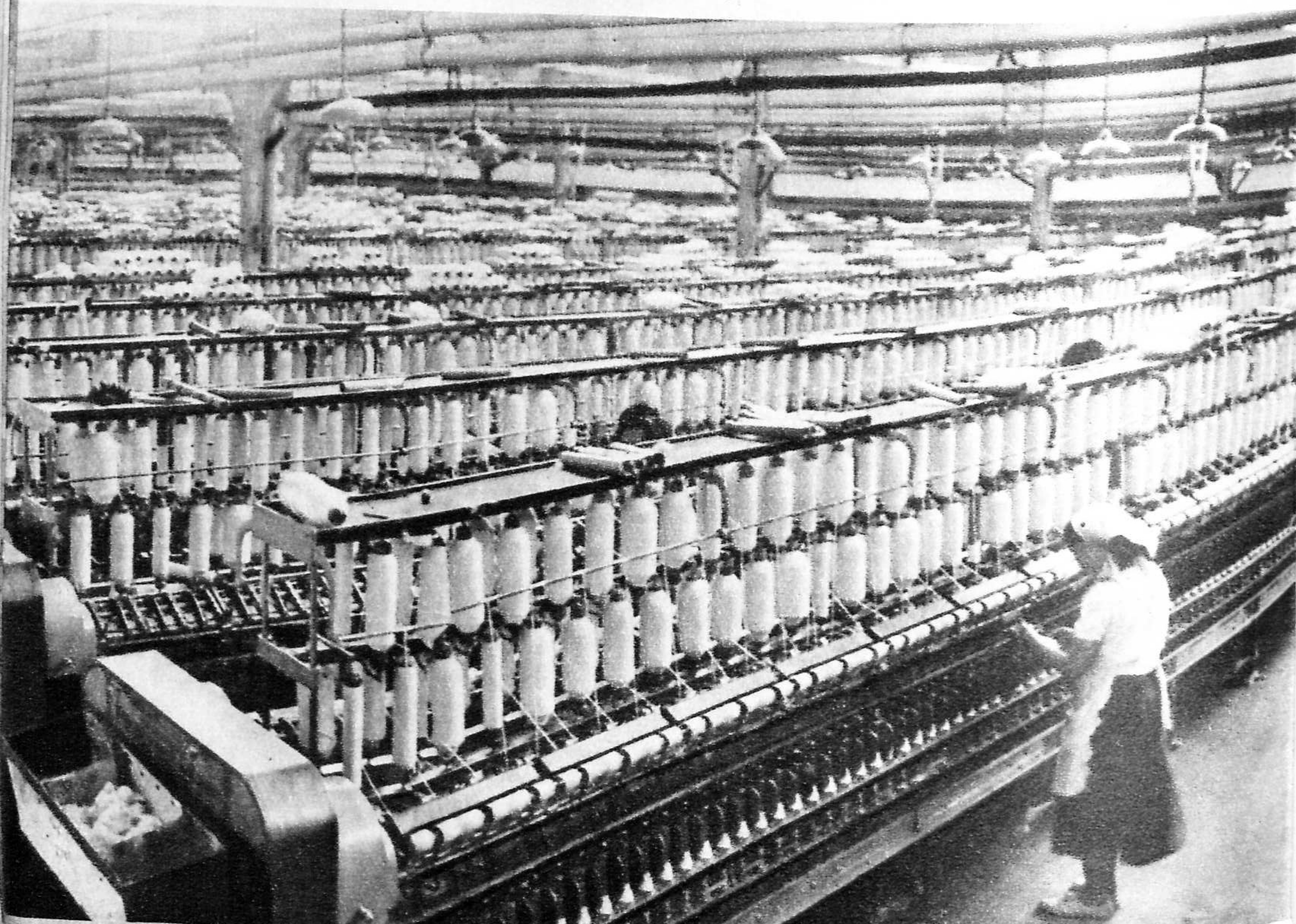
	Output in 1958	Rate of growth as against 1957
Glass ware	635 mil. won	2.4 times
Ceramics	828 mil. won	152 per cent
Furniture	1,261 mil. won	120 "
Fabrics	110 mil. metres	121 "
Hosiery	16 mil. pairs	151 "
Footwear	21 mil. pairs	116 "
Salt	439,000 tons	142 "
Soy	41 mil. litres	109 "
Tobacco	7,700 tons	115 "

It is expected that textile, food and daily necessities industries will register another speedy growth in order to raise the people's living standard. Particularly, this year will see marked improvement in the quality of various items.

TEXTILE INDUSTRY



Spinning shop of the Pyongyang Textile Mill



FOOD PROCESSING INDUSTRY

Foodstuffs and
Favourite Goods



Members of the processing brigade of the Ryongsung Meat Packing Plant putting labels on the canned pork

273
1958

A confectionery shop of
the Pyongyang Corn-
starch Factory

100
1956

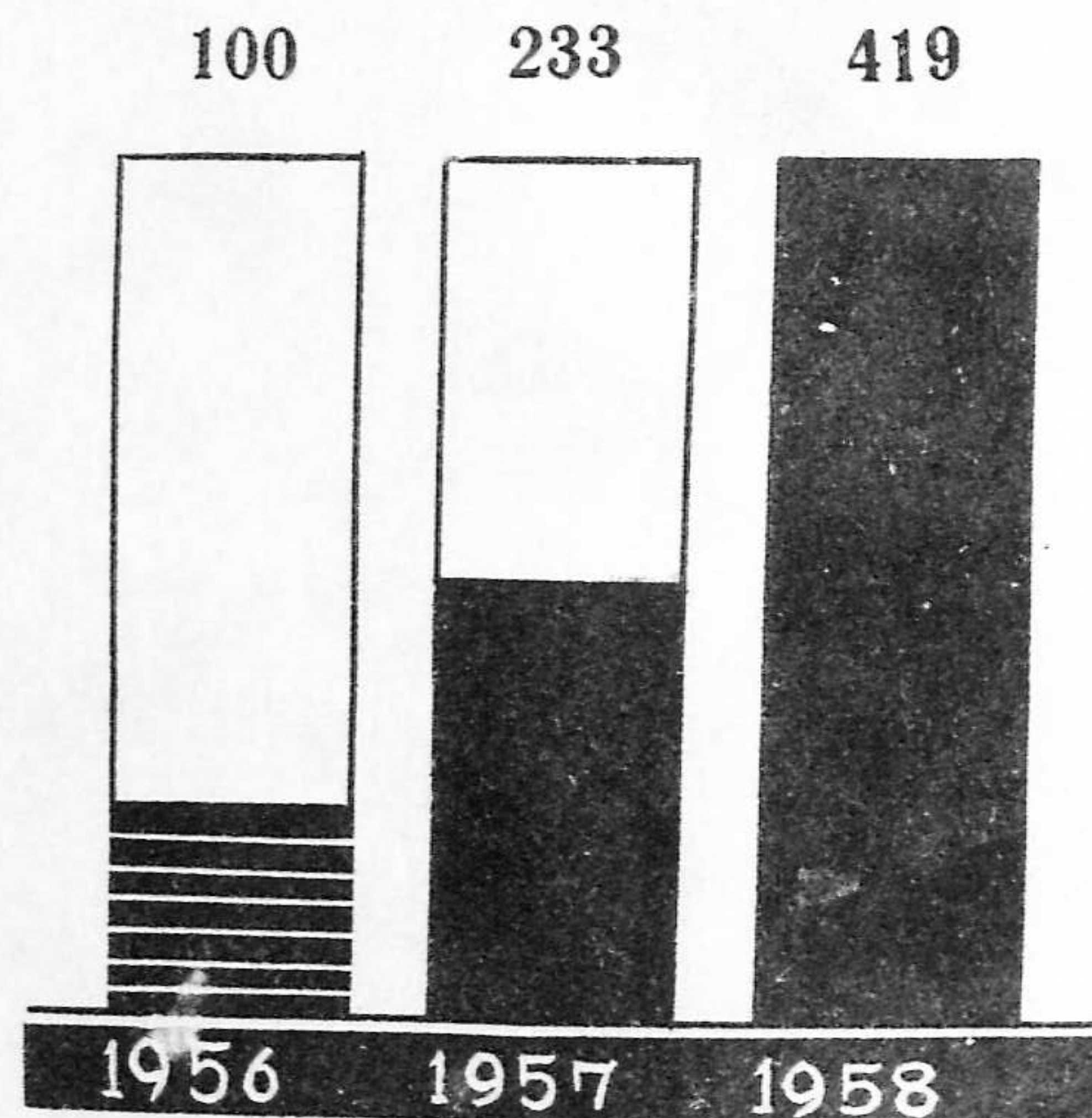


DAILY NECESSITIES

Various kinds of daily necessities produced in the factories and enterprises under the Ministry of Machine-building Industry



Stationery and Miscellaneous Goods



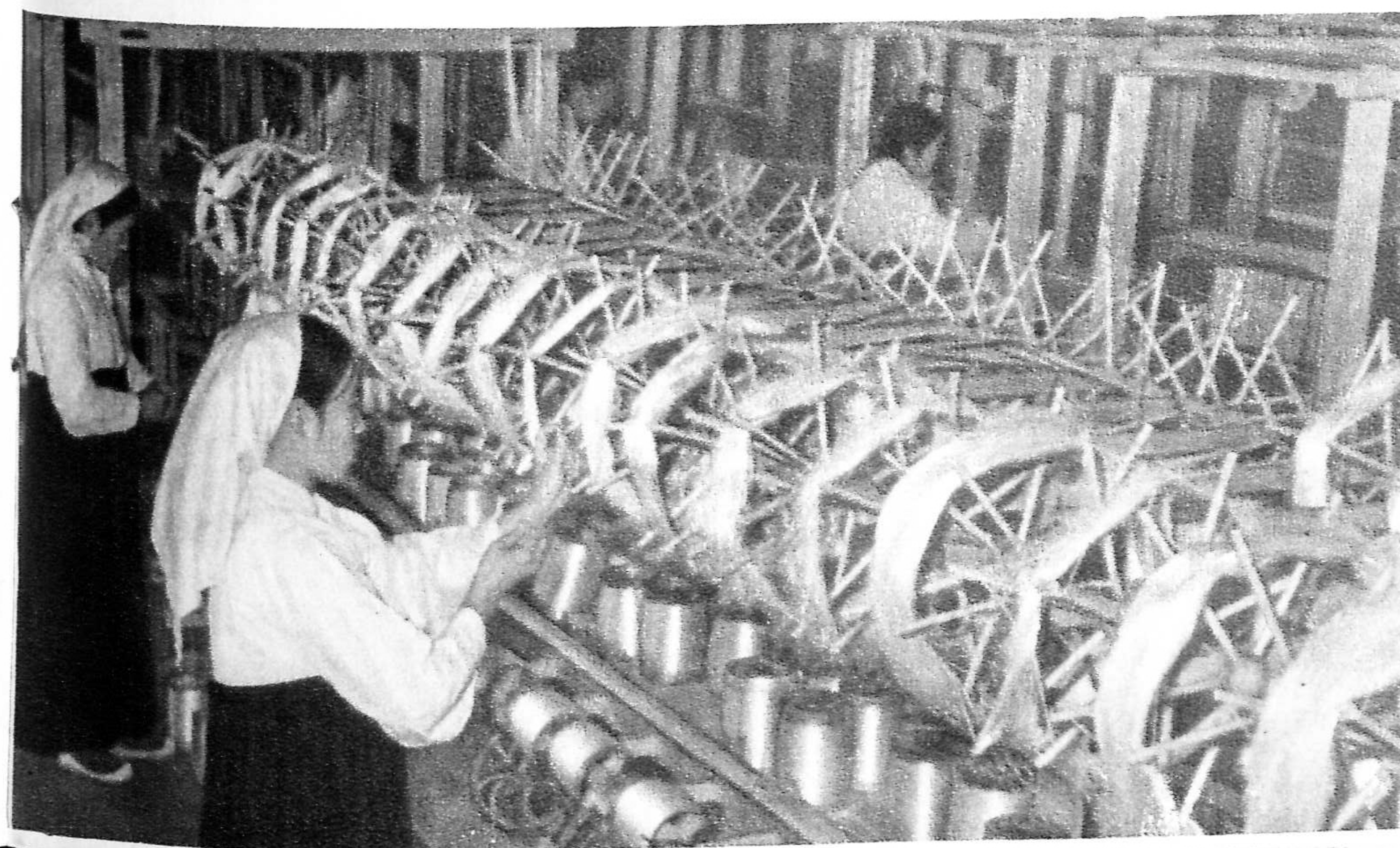
A small blast furnace of local industry installed by the Kaichun Foundry, South Pyongan Province



LOCAL INDUSTRY

Last year more than 1,060 local industrial factories were built throughout the country, and produced several thousand varieties of popular consumer goods with the raw materials explored in the localities.

Spinning Shop of the Wonsan Weaving Mill of local industry built in September 1958





RURAL ECONOMY

THE agricultural co-operativization in our country was successfully concluded by the end of August 1958, and now one million peasant households are embraced in a big family of 3,800 odd agricultural co-operatives.

In the field of the rural economy, tasks of the technical revolution—irrigation, mechanization and electrification—are being successfully carried on.

The Workers' Party of Korea and the Government of the Republic, laying stress on the building of irrigation systems, a decisive factor for increasing grain output, carried out an extensive programme of building large, medium and small-scale irrigation projects.

As a result, in the postwar 5 years, the acreage of irrigated paddy fields grew from 227,000 jungbo to 463,000 jungbo, which means that 91 per cent of the entire paddy fields have been converted into fully irrigated paddy fields.

Along with the irrigation projects, mechanization and electrification are being pushed ahead. In 1958, more work was done by machines and the acreage cultivated by machine-hire stations grew by 16 per cent as against the previous year.

To complete electrification in the countryside, medium and small-scale

hydro, thermo, wind mill power stations are being extensively built in all parts of the country.

In 1958, the supply of chemical fertilizers to the countryside increased 12 times as against 1953.

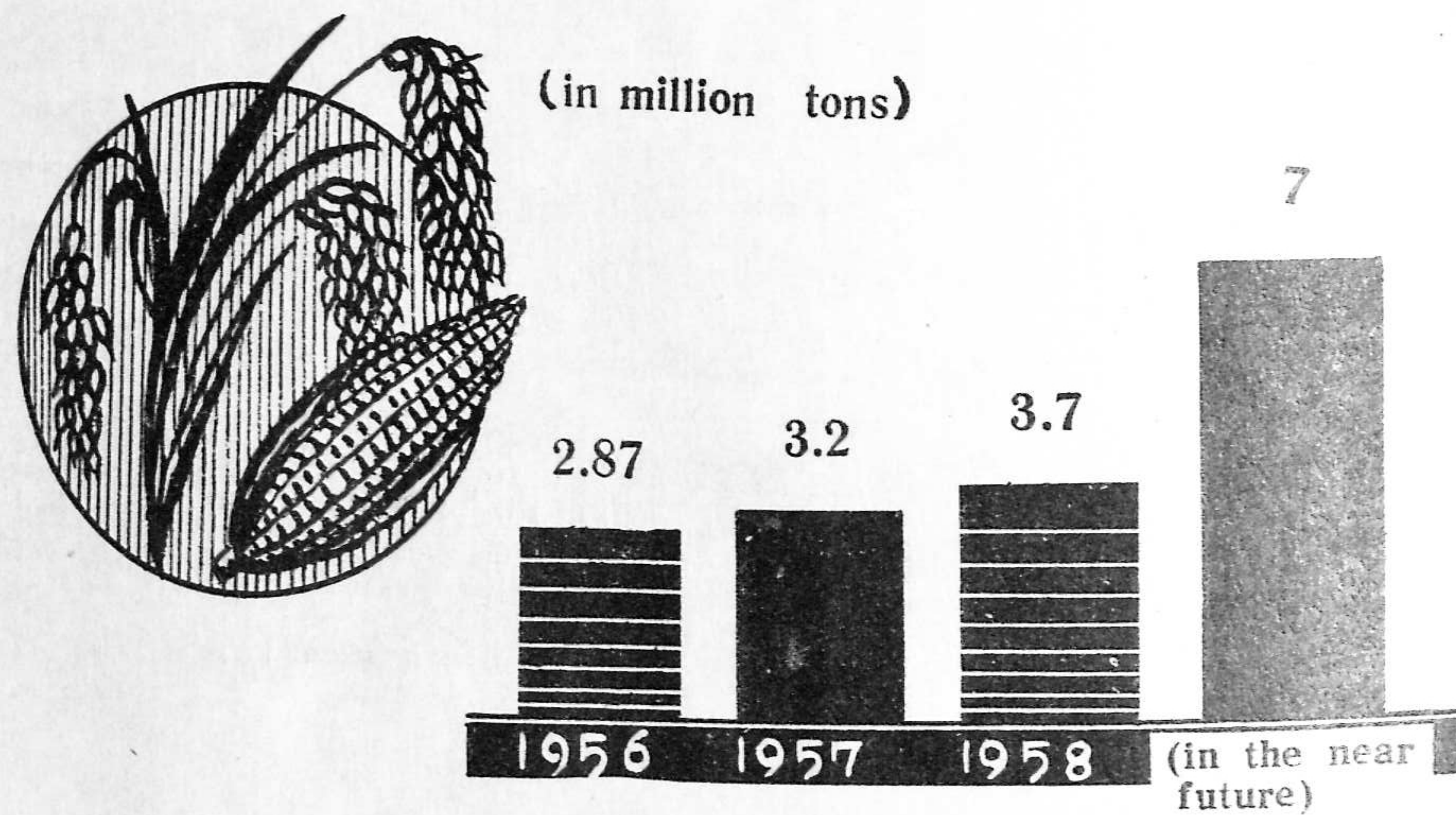
In this way, the grain output had already surpassed in 1956 the prewar level, and the year of 1958 witnessed for the first time in our country the record-breaking bumper crop of 3.7 million tons of grain. In 1958, 8 times as much cotton was harvested as output in the previous year.

In animal husbandry, too, rapid development was observed, and the head of Korean cows increased to 660,000 and pigs to 1,460,000.

In the rural economy, irrigation projects will be continuously carried on on a nation-wide scale to expand within the one or two years the acreage under irrigation to one million jungbo, and intensive farming method will be extensively introduced.

Thus the grain output will mark a sharp increase, and within the next one or two years the per-jungbo yield of rice, maize and wheat will grow to 10-15 tons, 4-5 tons and 3-4 tons respectively.

GRAIN



Members of the Sangyang Agricultural Co-operative, Soonan County, South Pyongan Province, mechanized threshing work using electric motors



INDUSTRIAL CROPS

The total area sown to industrial crops in 1958 grew 2.4 times over 1957, of which the area sown to cotton 3.1 times; flax 171 per cent; and tobacco 125 per cent.



Bumper harvest attained through advanced farming method by the Sainal Agricultural Co-op, Shinchun County, South Hwanghai Province. Cotton (above). Tobacco (below)





LIVESTOCK BREEDING

Growth of Domestic Animals

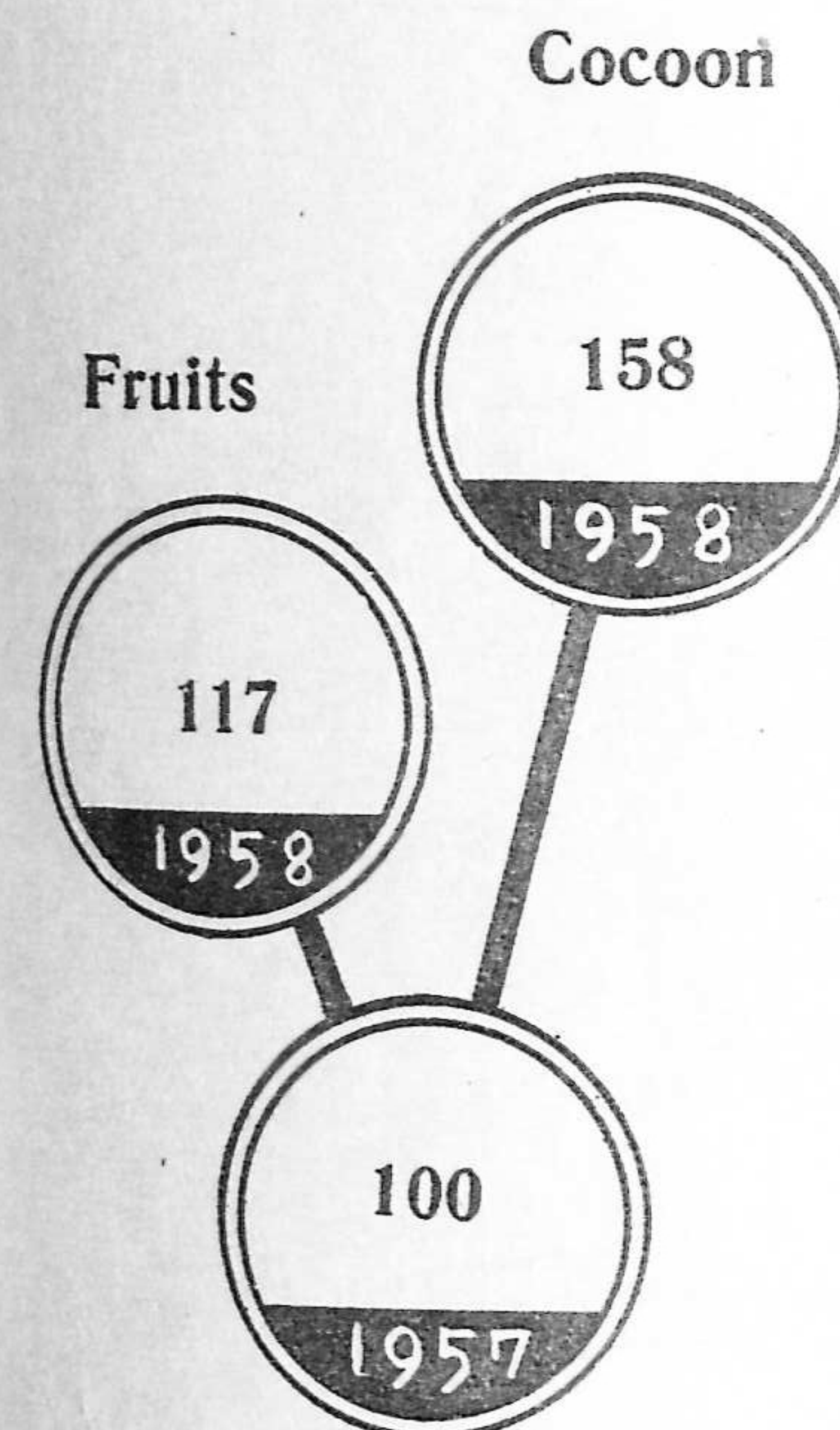
	1956	1957	1958
Milch cows	100	237	330
Korean cows	100	117	137
Sheep and goats	100	139	161
Pigs	100	189	203



Korean cows on grazing ground in Heungsang Livestock Farm, South Hamkyung Province



SERICULTURE AND FRUIT

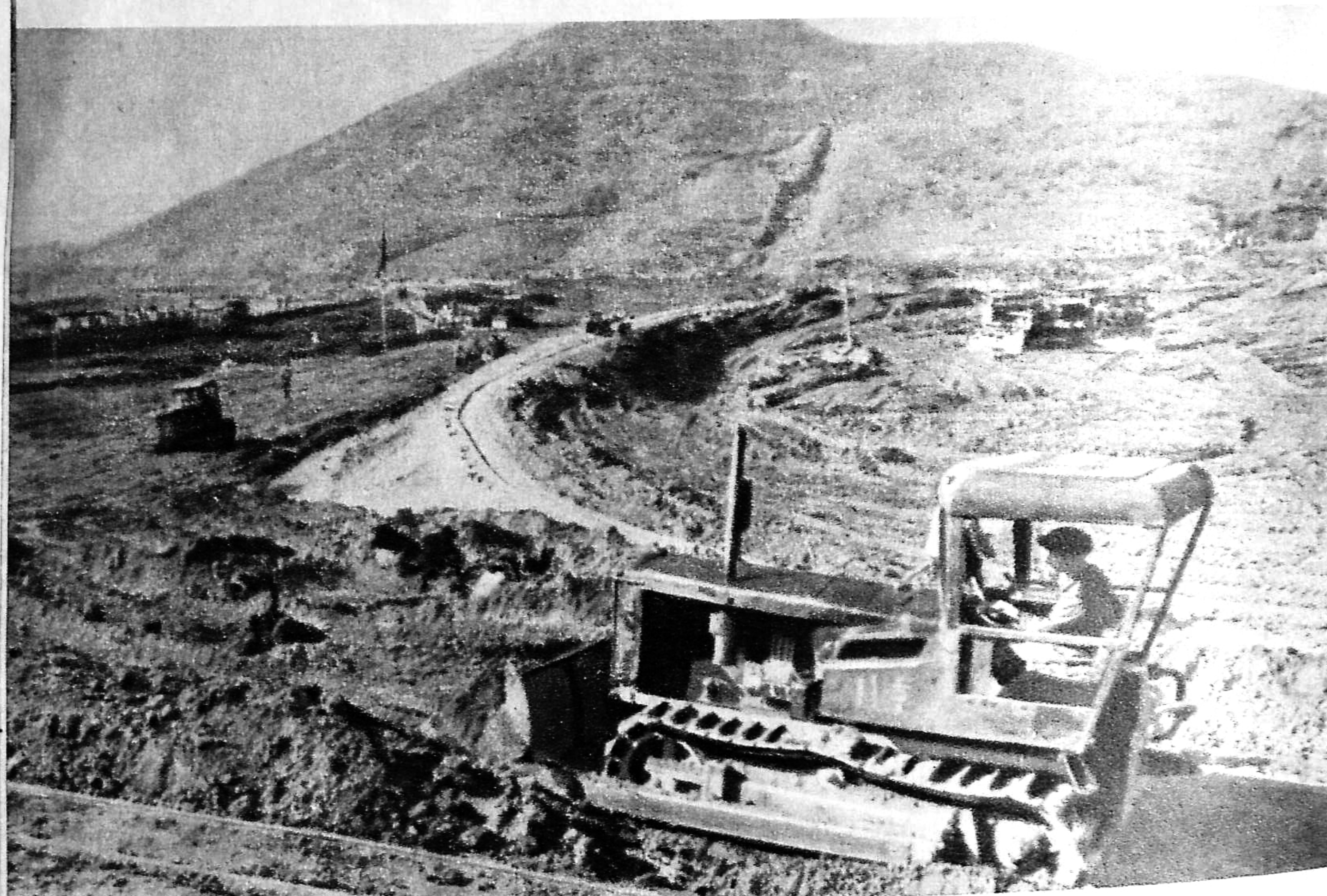


Members of the Shindai Agricultural Co-op, Keumchun County, North Hwanghai Province, picking tussah cocoons

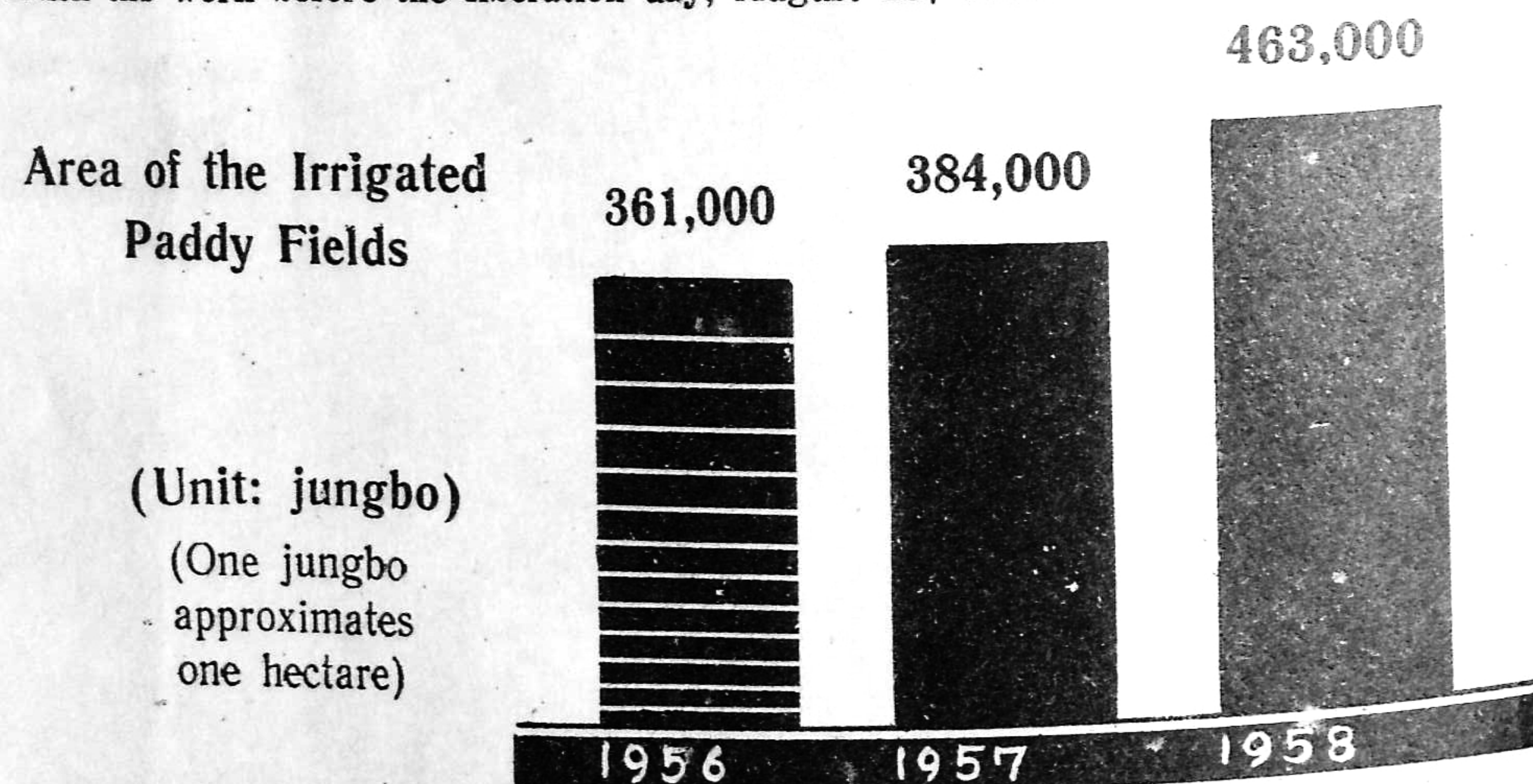


Members of the Jungjoo Fruit Farm selecting apples for export

IRRIGATION



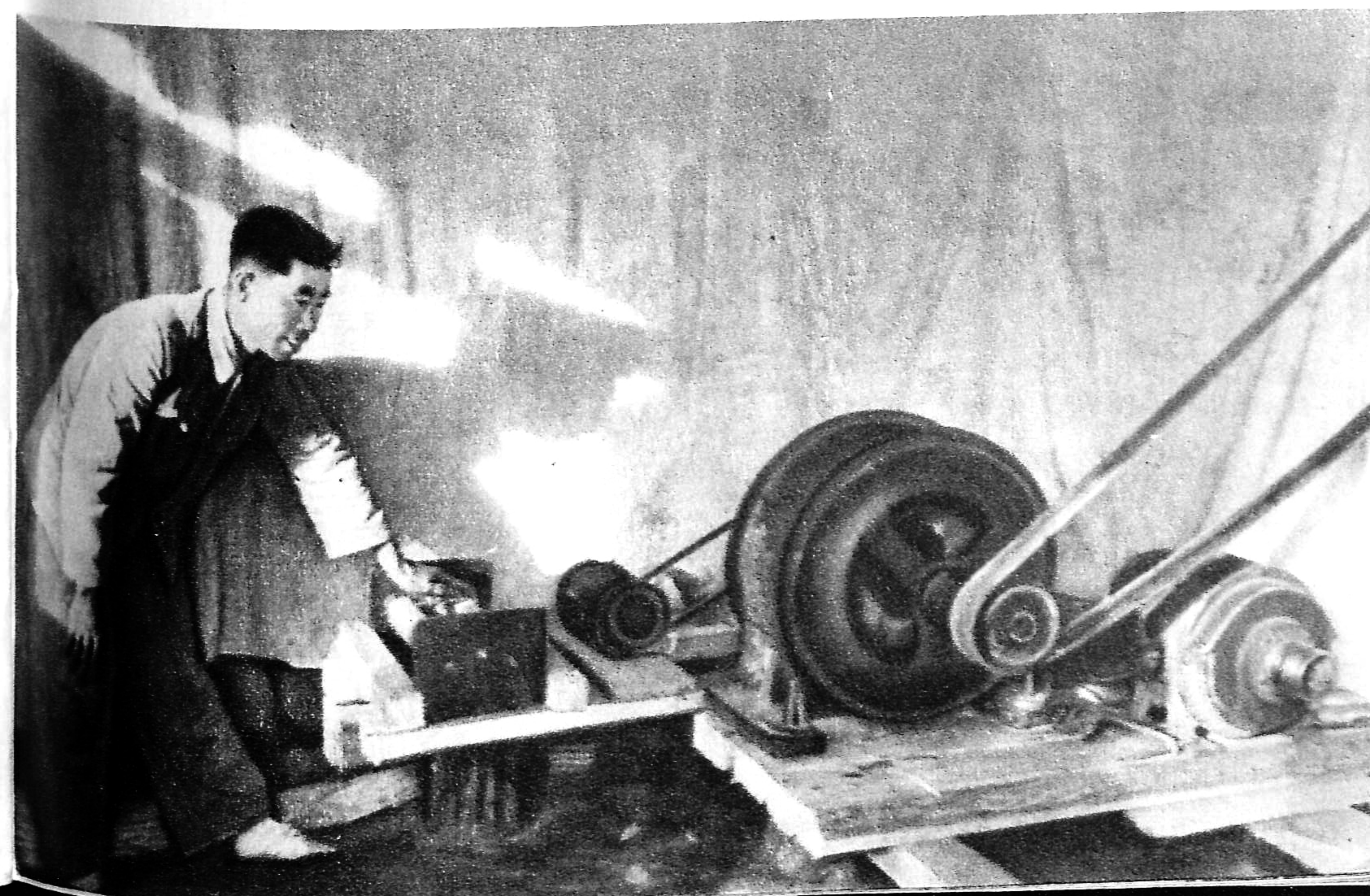
Construction workers of the Taisung Reservoir Dam of the Kiyang Irrigation Projects, South Pyongan Province, striving for carrying out their resolve to finish the work before the liberation day, August 15, 1959



ELECTRIFICATION

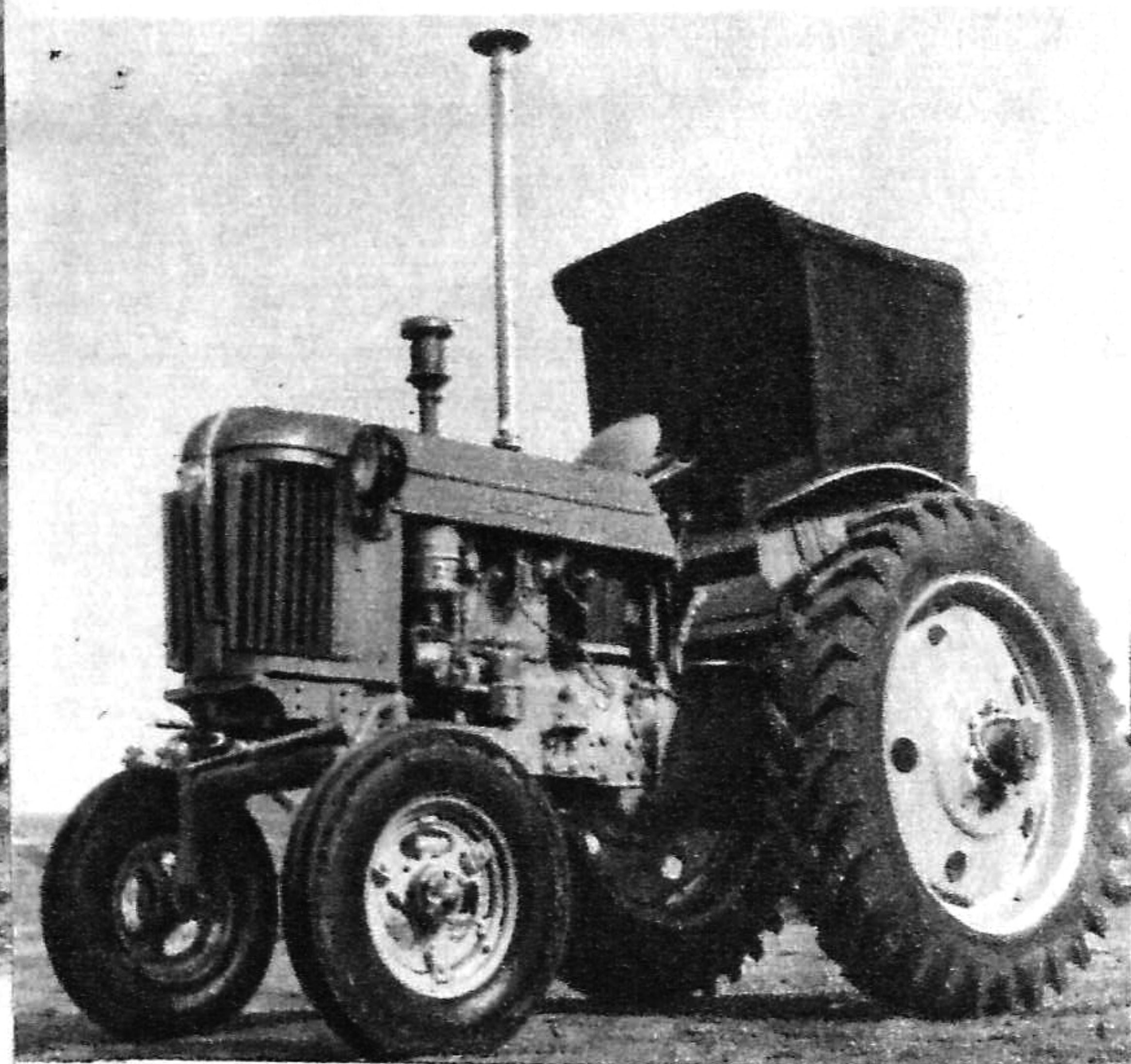
Last year over 570 medium and small electric power plants were built by the agricultural co-op members in our country who had risen up for electrification of the countryside. As a result, as of the end of 1958, 67 per cent of the total ri (the lowest administrative unit) and 49 per cent of the entire peasant households were electrified.

Members of the Ainghwa Agricultural Co-op, Shinchun County, South Hwanghai Province, built a hydroelectric power station with a capacity of 20 kw to supply 200 farm houses with electricity. They also run a rice cleaning mill and thrashers. Photo: A member of the co-op operating the hydraulic generator



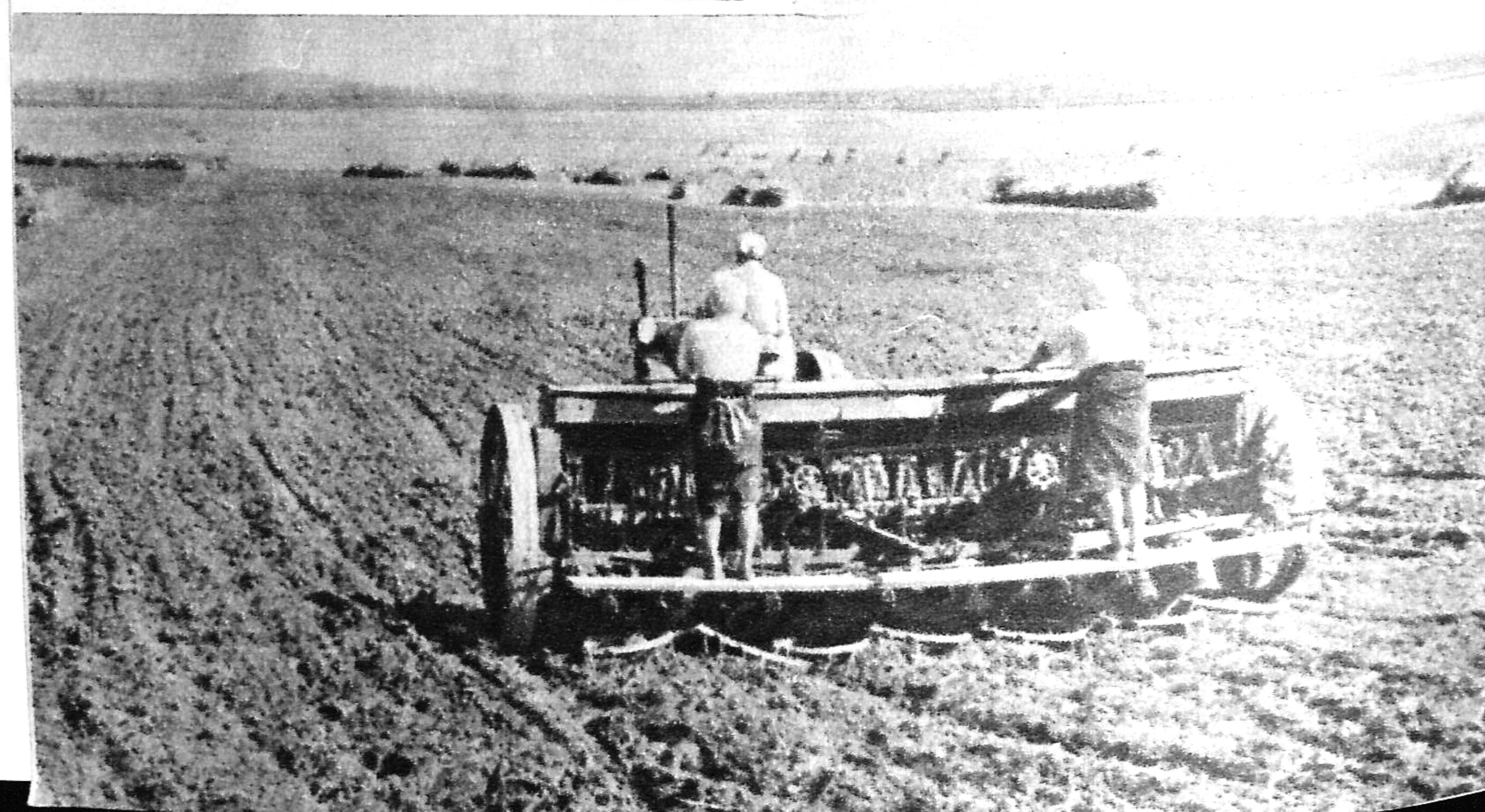
MECHANIZATION

Farm work has been more mechanized. Farm machine-hire stations ploughed 16 per cent more of farm land last year compared with 1957. This year our countryside will be supplied with 5,000 tractors and 2,500 of lorries.



Tractor "Chullima" (winged horse) produced for the first time in Korea. Workers of the Kiyang Machine-building Factory who made the tractor are resolved to produce 3,500 tractors in 1959

Machines do wheat sowing in various parts of our country



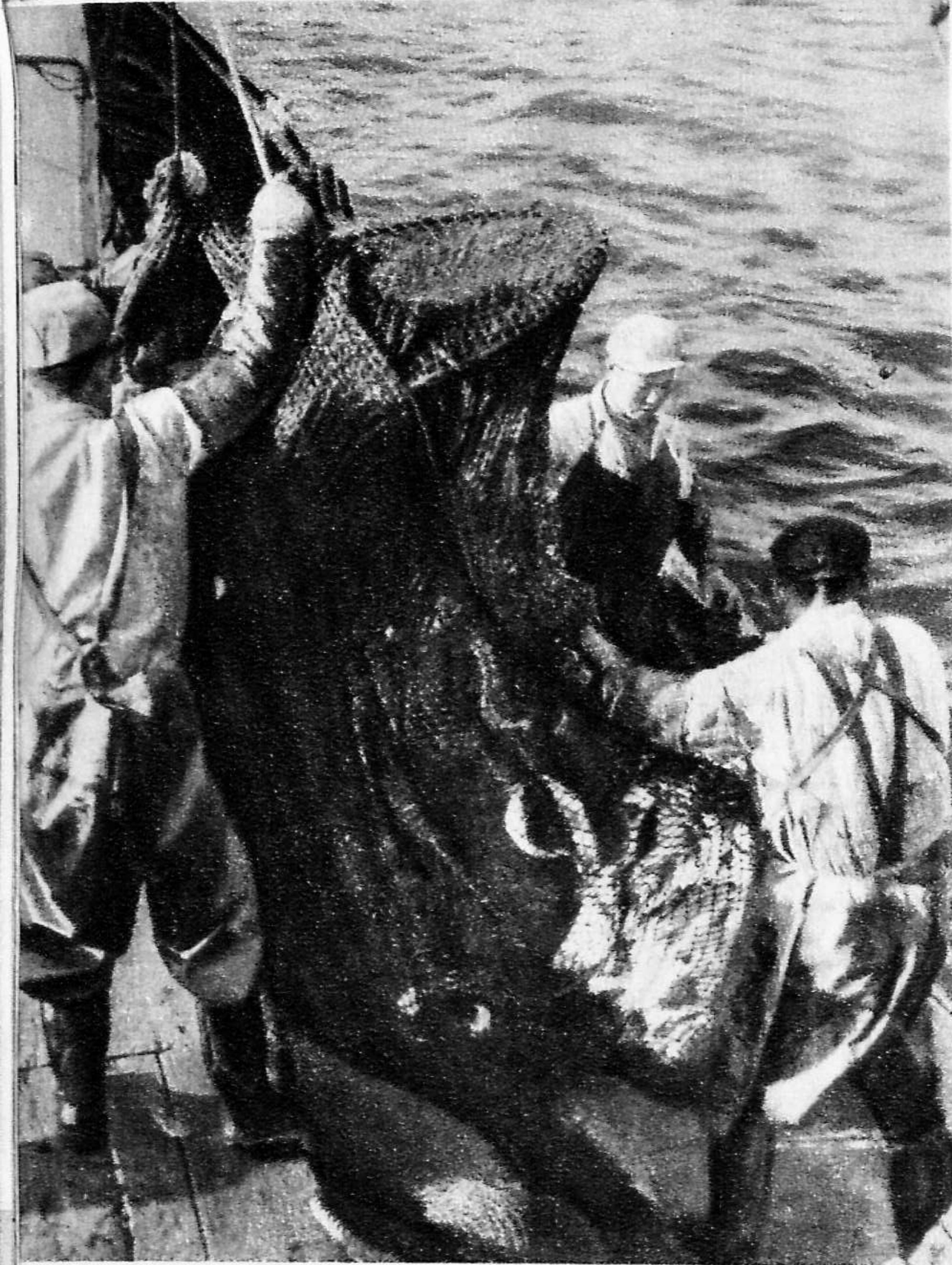
Members of the Changsung Agricultural Co-op, South Hamkyung Province, dancing popular group dance "Dondolrari"

CULTURE IN THE COUNTRYSIDE

In 1958, our agricultural co-ops newly built modern houses to accommodate over 21,000 families, schools with a total floor space of 243,000 square metres, and 883 kindergartens and creches with their own funds.

New modern houses keep rising up for the members of the Sainal Agricultural Co-op





FISHING INDUSTRY

FISH CATCH

1957	...	564,000 tons
1958	...	682,000 tons
1961	...	2,000,000 tons

1,000,000 tons will be
salt water fish and another
1,000,000 tons fresh water
fish and other marine products.

Fish hauling in the East Sea

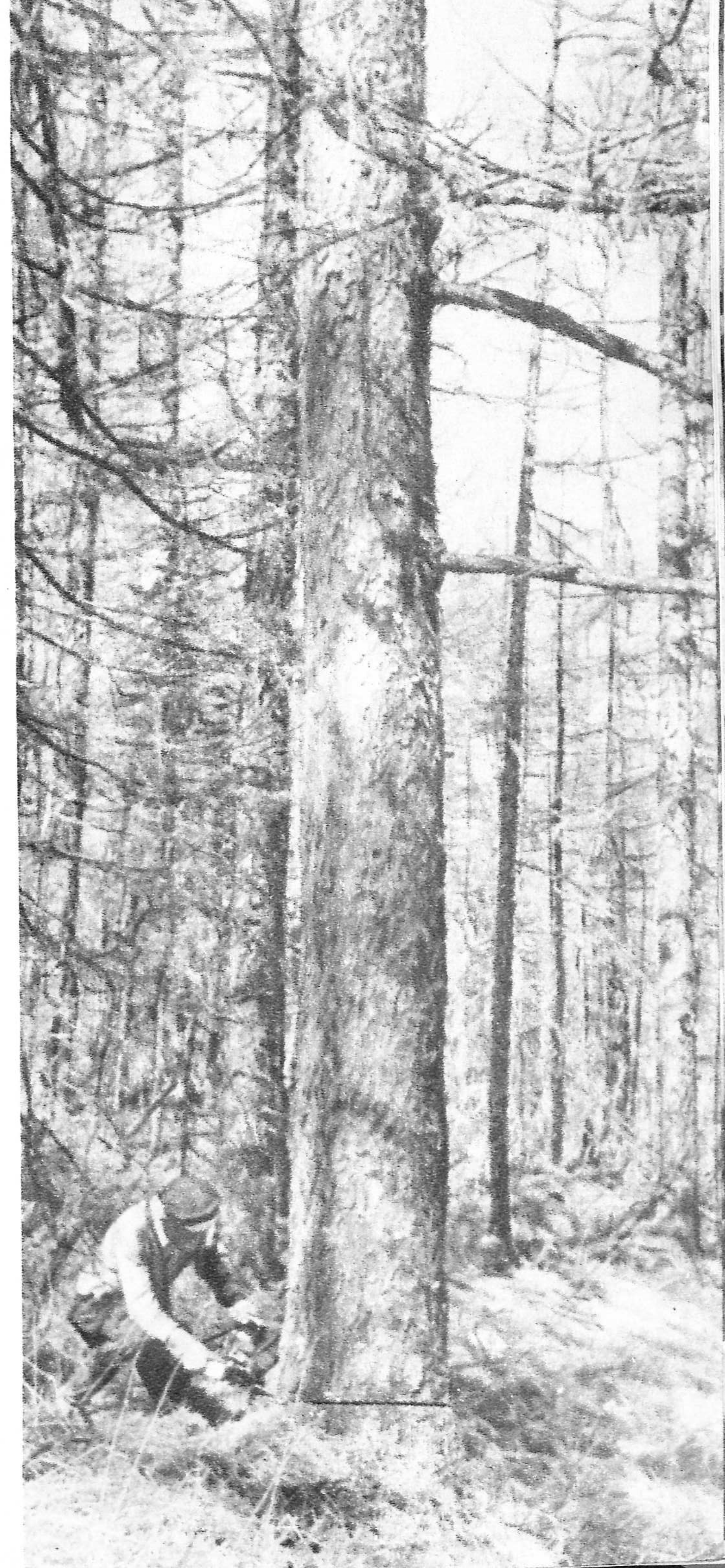
The packing shop of the Shinpo Fish Cannery

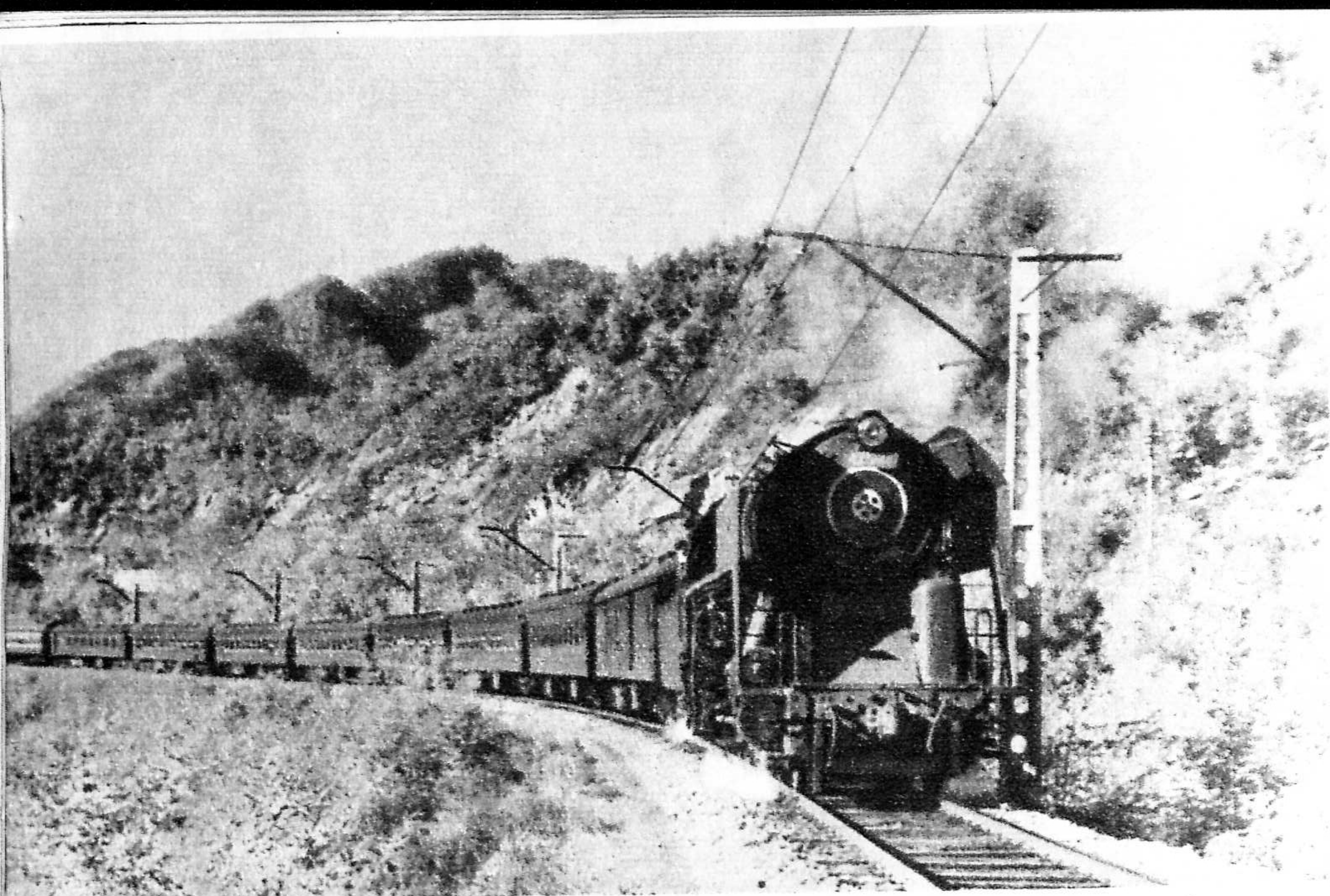


TIMBER INDUSTRY

In 1958 the output of
logs and lumber exceed-
ed the planned level of
1961 in the First Five-
Year Plan.

Tree felling is mechanized (at
the Samjiyun Lumber Station,
Ryanggang Province)

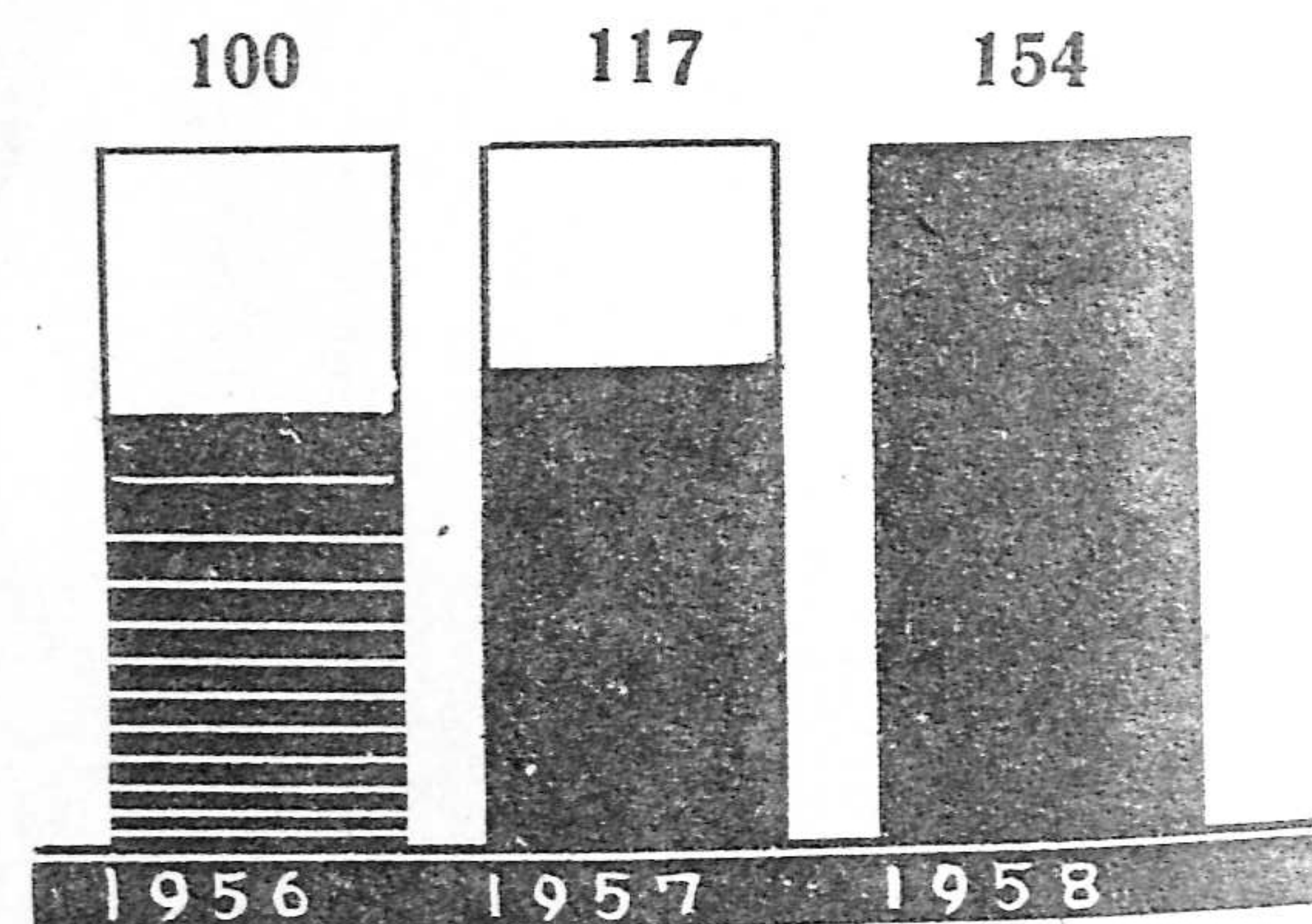




Newly electrified Yangduk-Shinsungchun Railway

TRANSPORT

Railway Freight
Haulage

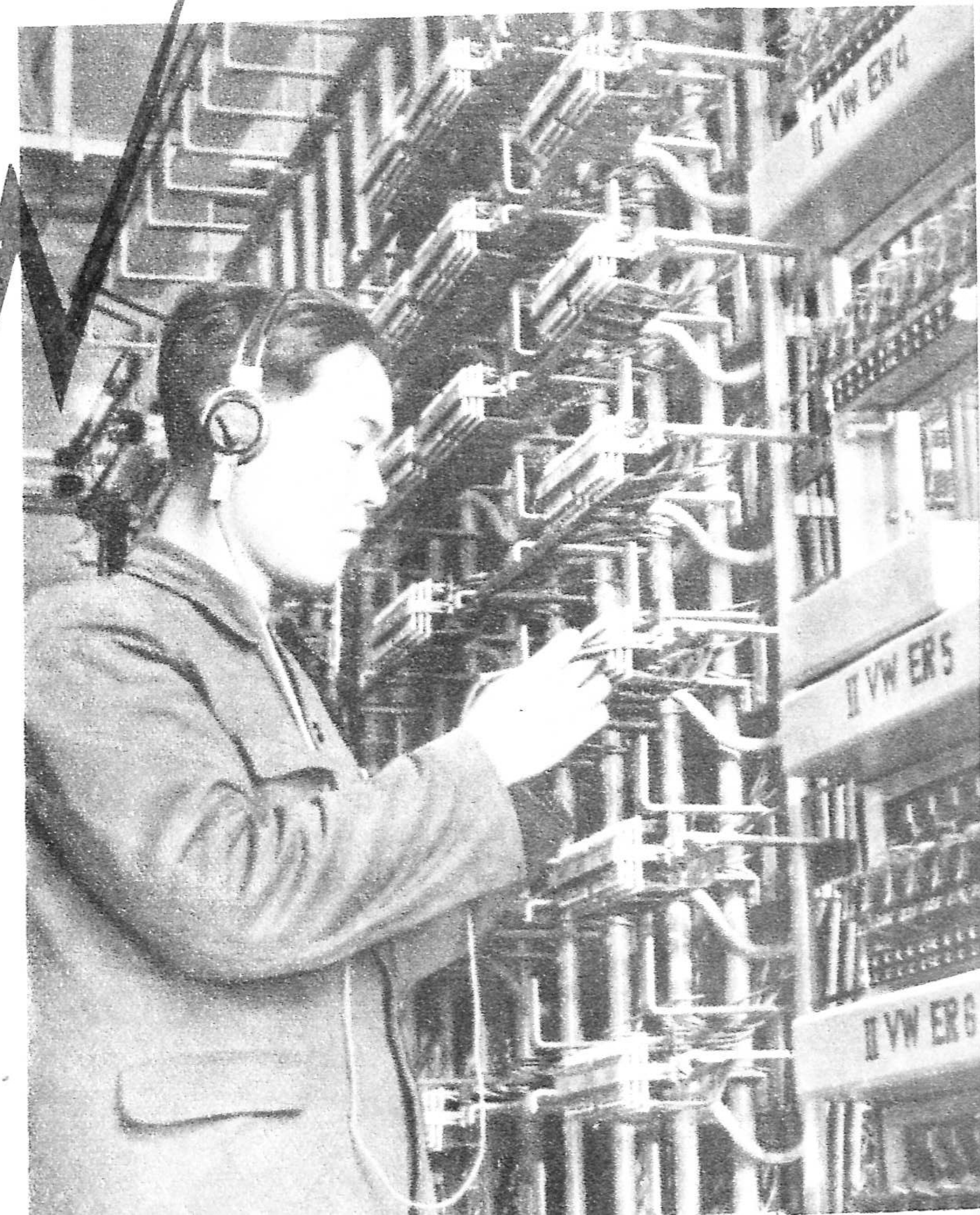


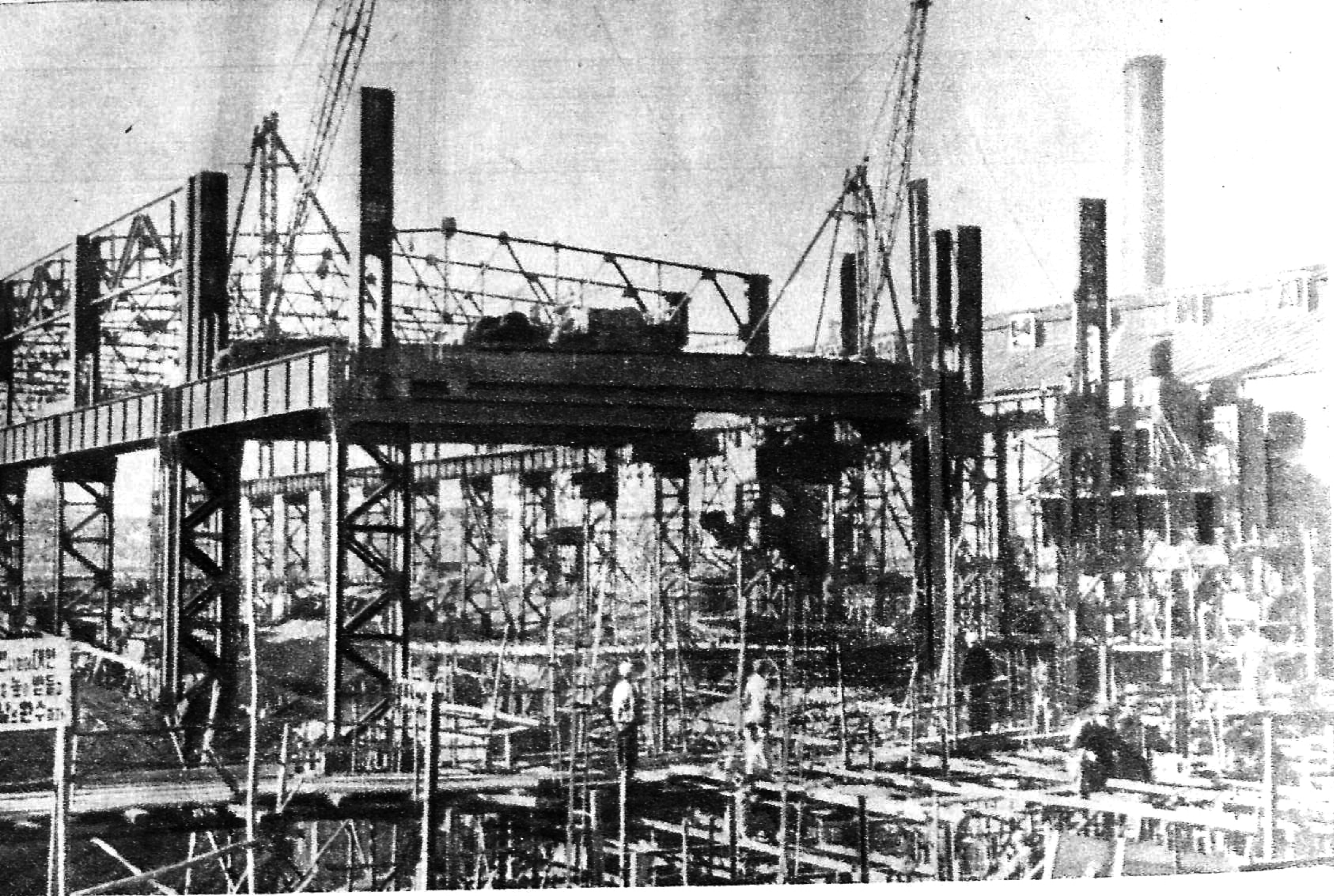
COMMUNICATIONS

Number of Telephone
Subscribers



The automatized Pyong-
yang Central Telephone
Exchange





The construction of the rolling shop of the Sungjin Steel Works is going ahead at full speed

CAPITAL CONSTRUCTION

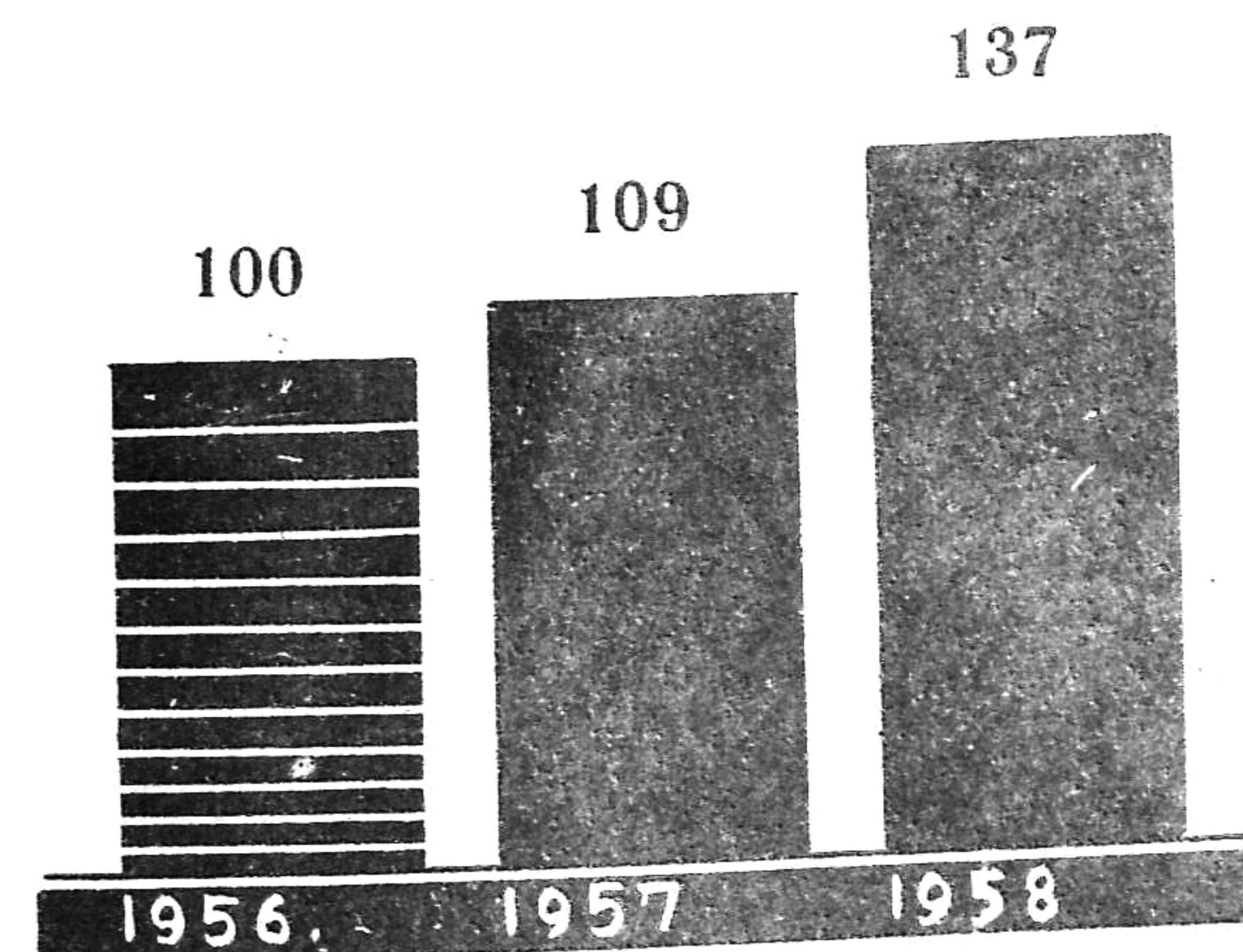
THE total state investment in capital construction in all branches of the national economy last year amounted to 34.1 billion won, or 126 per cent that of the previous year. Giving priority to the productive construction, the construction programme to build dwelling houses, cultural and public utility establishments was carried out in urban and rural districts on a large scale.

Of the total investment, 74 per cent went to the productive construction, a 29 per cent increase over 1957.

Compared with 1957, the investment in industrial construction in 1958 grew to 119 per cent, of which the investment in heavy industry stepped up to 120 per cent and in light industry to 111 per cent.

In construction, the pre-fab method was widely introduced. In 1958 the rate of application of the pre-fab method grew markedly, and it was 59 per cent in housing construction.

Total State Investment
in Capital Construction



A new look of Stalin Street



PEOPLE'S WELFARE

A happy family in a new apartment house, Southern District, Pyongyang

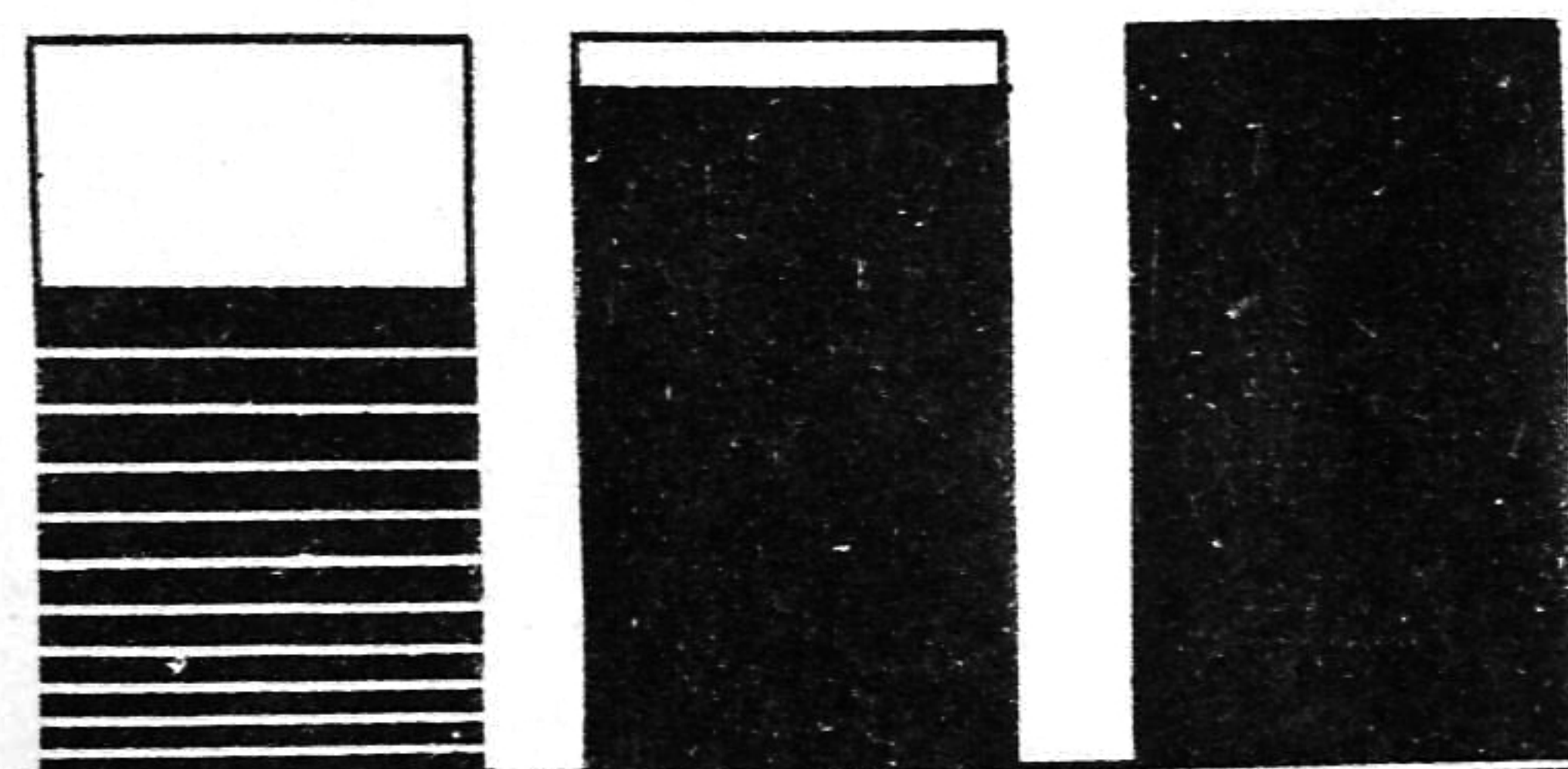


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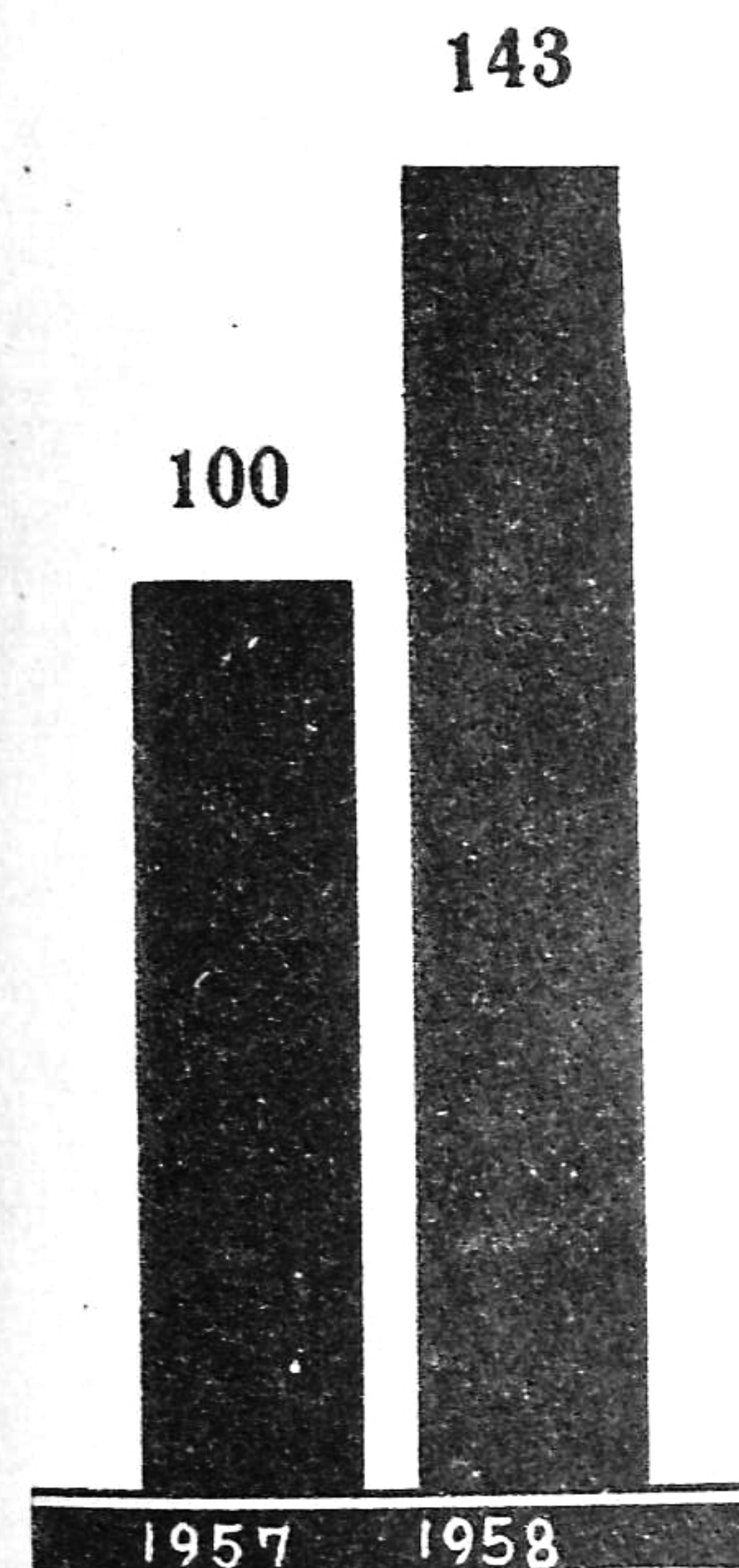
155

Growth of Monetary Wages



COMMODITY CIRCULATION

Value of Retail Goods



The new Pyongyang State Department Store which stands by the Pyongyang Railway Station. Photo: A view of Pyongyang State Department Store (below). Counters on third floor (above)



STANIS
COLLECTOR
1958





EDUCATION

Compulsory junior middle school education came into effect on November 1, 1958. Photo: Pupils of Middle School No. 11, East Pyongyang

In 1956, the compulsory primary education system was enforced; in November 1958 the compulsory middle school education system came into effect; and within the next 3 to 4 years, the compulsory technical education system will become effective.

Students of the Sookchun Agricultural School, South Pyongan Province, learning something about rice plants in the field

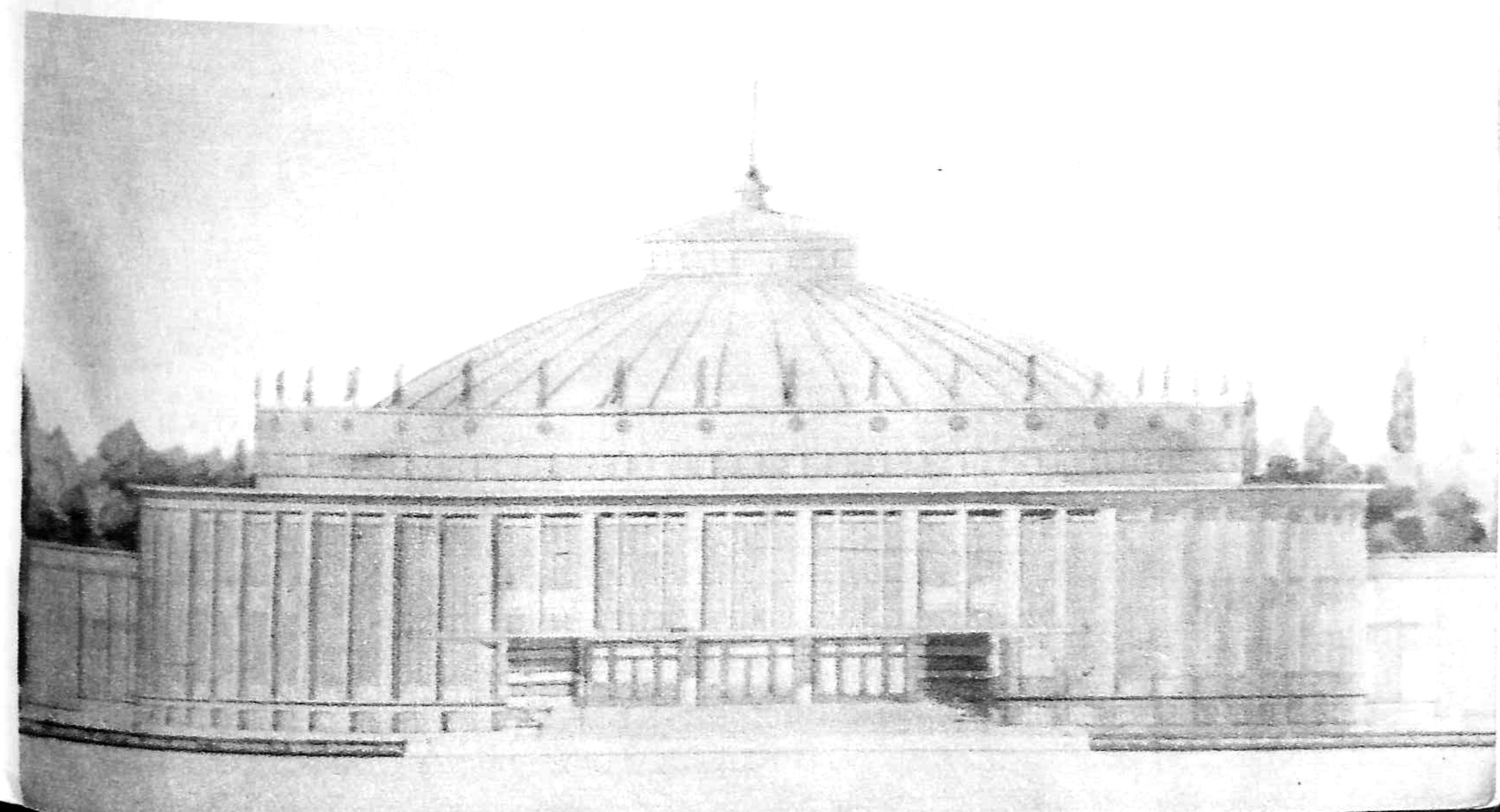


CULTURE

The artists of the Kangwon Provincial Art Theatre giving performance with national musical instruments

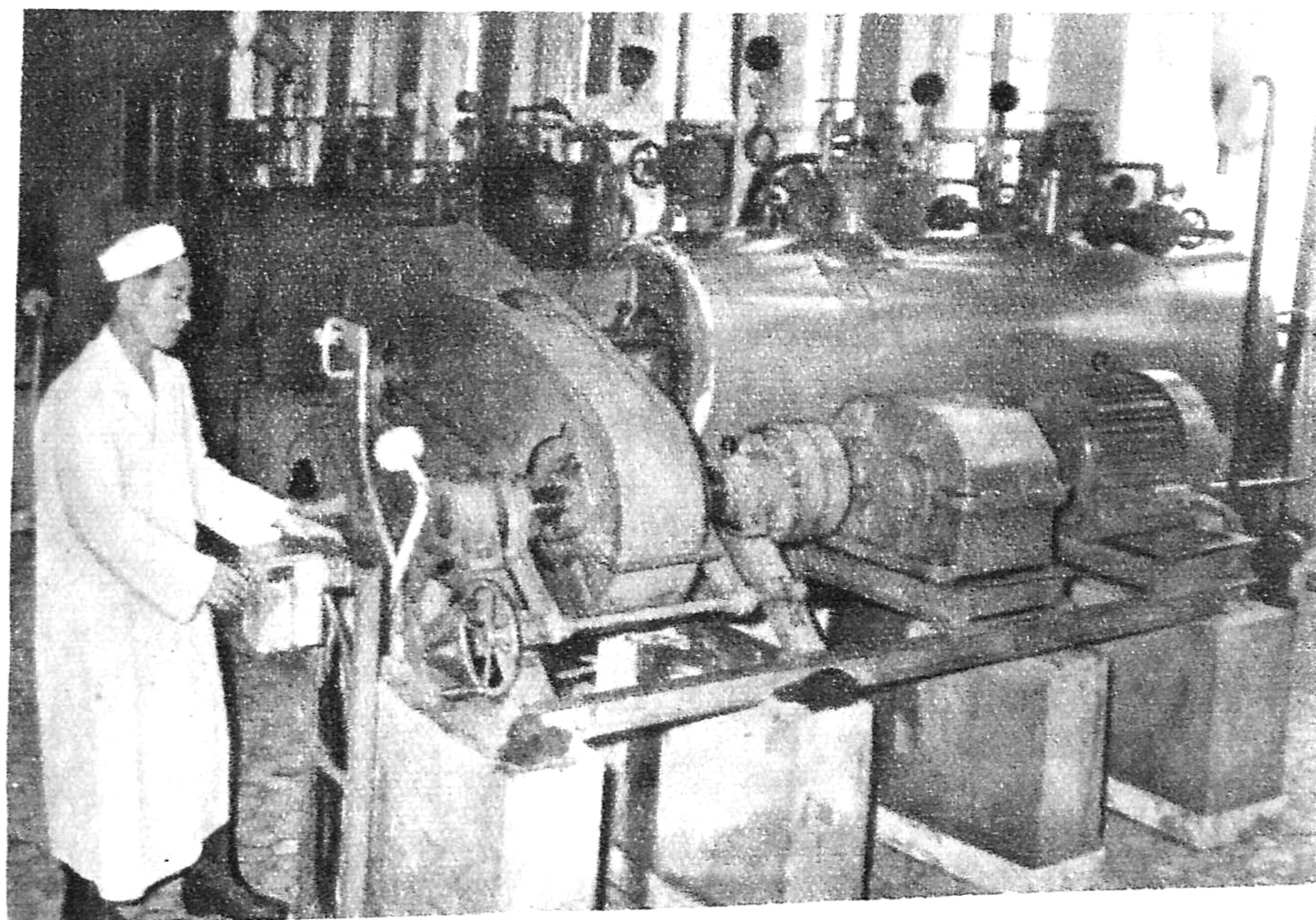
In 1958, there were 638 theatres and cinemas. The number of theatre- and cinema-goers showed an increase of more than 14,900,000 over the previous year.

A model of the Acrobatic Theatre to be built on the east side of the Mao Tse-tung Square in West Pyongyang. The theatre with a seating capacity of 2,000 is to be completed by August 15, 1960

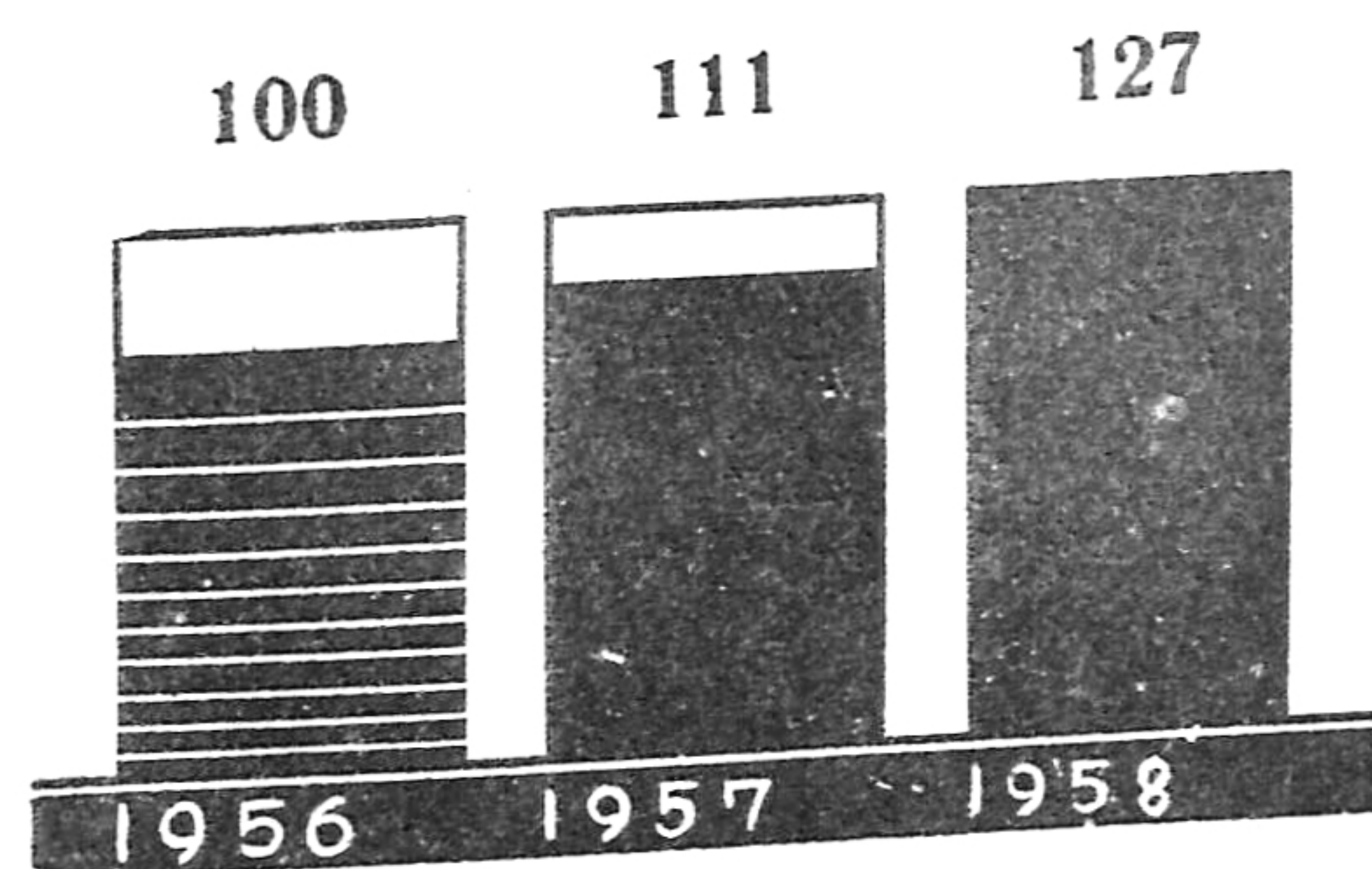
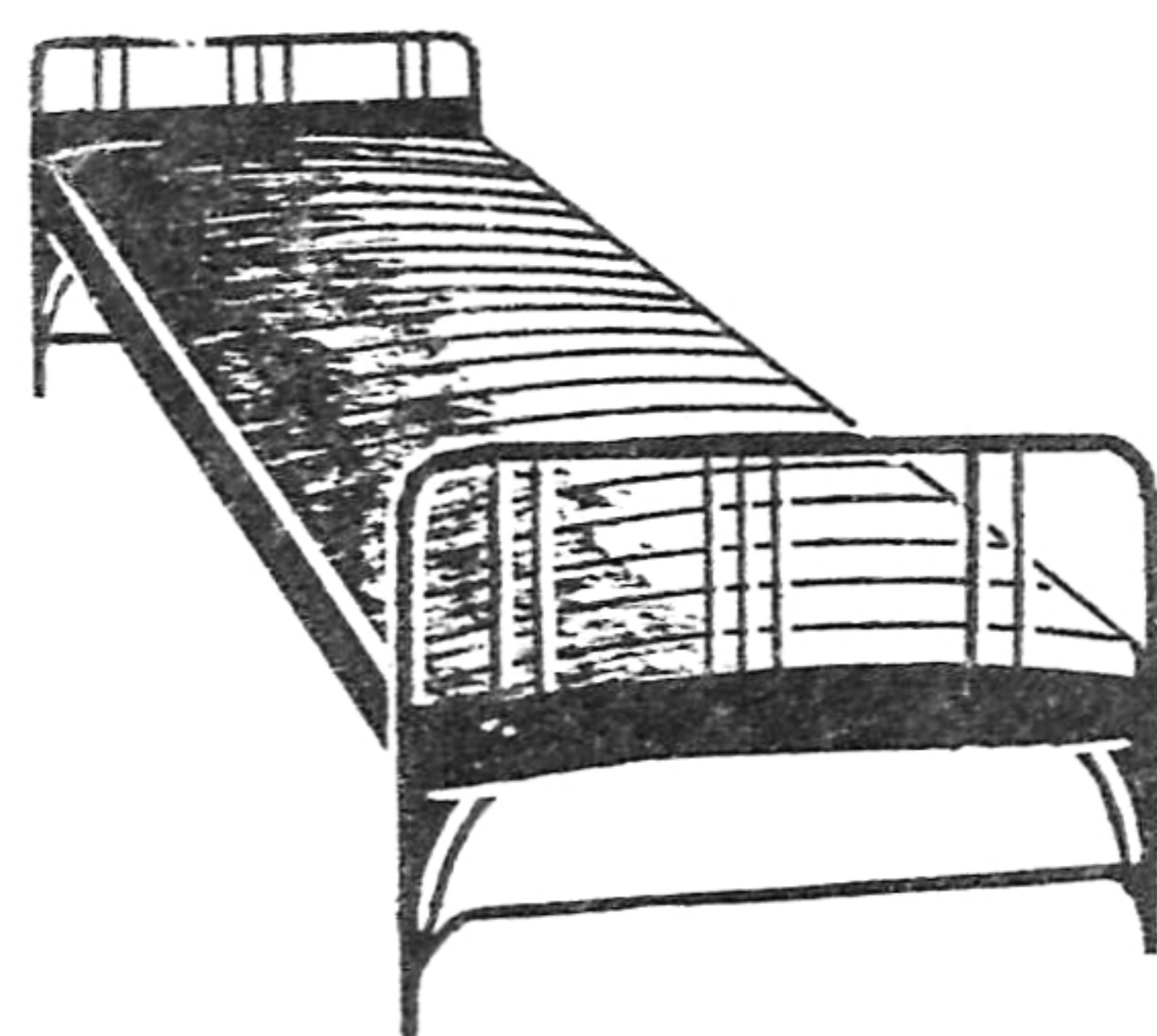


PUBLIC HEALTH

An inside view of the newly built Aspirin Factory in Soonchun



Number of Beds in Hospitals



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